



House of Representatives

File No. 891

General Assembly

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(Reprint of File No. 467)

Substitute House Bill No. 6525
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
June 3, 2011

AN ACT CONCERNING THE CONTINUANCE OF THE MAJORITY LEADERS' JOB GROWTH ROUNDTABLE.

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Section 10a-19i of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) As used in subsections (a) to [(f)] (e), inclusive, of this section:

4 (1) "Green technology" means technology that (A) promotes clean
5 energy, renewable energy or energy efficiency, (B) reduces greenhouse
6 gases or carbon emissions, or (C) involves the invention, design and
7 application of chemical products and processes to eliminate the use
8 and generation of hazardous substances;

9 [(2) "Job relating to green technology" means a job in which green
10 technology is employed and may include the occupation codes
11 identified as green jobs by the United States Bureau of Labor Statistics
12 and those codes identified by the Labor Department and the
13 Department of Economic and Community Development for such
14 purposes;]

15 [(3)] (2) "Life science" means the study of genes, cells, tissues and
16 chemical and physical structures of living organisms and biomedical
17 engineering and the manufacture of medical devices; and

18 [(4)] (3) "Health information technology" means the creation,
19 execution or implementation of electronic data systems that record or
20 transmit medical or health information.

21 (b) There is established a Connecticut green technology, life science
22 and health information technology loan [forgiveness] reimbursement
23 program to be administered by the Department of Higher Education.

24 (c) A Connecticut resident who graduated on or after May 1, 2010,
25 from an institution of higher education in this state with a bachelor
26 degree in a field relating to green technology, life science or health
27 information technology and who has been employed in this state for at
28 least two years after graduation [in] by a [job relating to] business in
29 the field of green technology, life science or health information
30 technology and whose [expected family contribution, as determined by
31 the federal Free Application for Federal Student Aid for the most
32 recent full academic year does not exceed thirty-five] federal adjusted
33 gross income for the year prior to the initial reimbursement year does
34 not exceed one hundred fifty thousand dollars shall be eligible for
35 reimbursement of federal or state educational loans up to a maximum
36 of two thousand five hundred dollars per year or five per cent of the
37 amount of such loans per year, whichever is less, for up to four years.

38 (d) A Connecticut resident who graduated on or after May 1, 2010,
39 from an institution of higher education in this state with an associate
40 degree relating to green technology, life science or health information
41 technology and who has been employed in this state for at least two
42 years after graduation [in] by a [job relating to] business in the field of
43 green technology, life science or health information technology and
44 whose [expected family contribution, as determined by the federal
45 Free Application for Federal Student Aid for the most recent full
46 academic year does not exceed thirty-five] federal adjusted gross

47 income for the year prior to the initial reimbursement year does not
48 exceed one hundred fifty thousand dollars shall be eligible for
49 reimbursement of federal or state educational loans up to a maximum
50 of two thousand five hundred dollars per year or five per cent of the
51 amount of such loans per year, whichever is less, for up to two years.

52 [(e) A Connecticut resident who receives a certificate relating to
53 green technology, life science or health information technology from
54 an institution of higher education in this state shall be eligible for a
55 grant equal to the cost of the training certificate not to exceed a
56 maximum of two hundred fifty dollars, provided such resident (1) is
57 unemployed, has received notice of termination of employment or is
58 employed with a gross annual family income that does not exceed
59 forty thousand dollars, (2) is eighteen years of age or older, (3)
60 graduated from high school before July 1, 2008, and (4) has not been
61 enrolled as a full-time student at an institution of higher education
62 before July 1, 2010.]

63 [(f)] (e) Notwithstanding the provisions of subsections (c) and (d) of
64 this section, the total combined dollar value of loan reimbursements
65 available under this and any other provision of the general statutes
66 shall not exceed five thousand dollars per recipient of an associate
67 degree and ten thousand dollars per recipient of a bachelor degree.

68 [(g)] (f) The Board of Governors of Higher Education may adopt
69 regulations, in accordance with the provisions of chapter 54, to carry
70 out the provisions of subsections (a) to [(f)] (e), inclusive, of this
71 section.

72 Sec. 2. Subsection (g) of section 38a-88a of the general statutes is
73 repealed and the following is substituted in lieu thereof (*Effective from*
74 *passage*):

75 (g) Any taxpayer allowed a credit under subsection (b) of this
76 section may assign such credit to another person, provided such
77 person may claim such credit only with respect to a calendar year for
78 which the assigning taxpayer would have been eligible to claim such

79 credit. The fund manager shall include in the report filed with the
80 Commissioner of Revenue Services in accordance with subdivision (1)
81 of subsection (b) of this section information requested by the
82 commissioner regarding such assignments including the current
83 holders of credits as of the end of the preceding calendar year. Any
84 taxpayer allowed a credit under subsection (c) of this section may
85 transfer such credit to an affiliate of such taxpayer.

86 Sec. 3. (NEW) (*Effective from passage*) On or before July 1, 2011, the
87 Commissioners of Administrative Services and Transportation shall
88 conduct a joint study, within available appropriations, regarding the
89 costs associated with converting or replacing up to twenty-five per
90 cent of the state auto fleet, which is to include Department of
91 Transportation vehicles, to either electric, alternative fuels or natural
92 gas. Such study shall include, but not be limited to, the time frames for
93 conversion and potential cost savings and potential environmental
94 benefits that could result from conversion of existing fleet. Said
95 commissioners shall report, in accordance with the provisions of
96 section 11-4a of the general statutes, findings and report
97 recommendations to the Governor and to the joint standing
98 committees of the General Assembly having cognizance of matters
99 relating to commerce, transportation, the environment and energy and
100 technology, on or before February 1, 2012.

101 Sec. 4. (NEW) (*Effective July 1, 2011, and applicable to income years*
102 *commencing on or after January 1, 2011*) (a) For the purposes of this
103 section, (1) "manufacturing reinvestment account" means a trust
104 created or organized by a manufacturer and held by a Connecticut
105 bank for the benefit of such manufacturer, to which the manufacturer
106 may make cash contributions not to exceed the amount set forth in
107 subsection (c) of this section for any income year. Moneys in a
108 manufacturing reinvestment account shall not be invested in life
109 insurance contracts or comingled with other property, and (2)
110 "manufacturer" means any business entity subject to tax pursuant to
111 chapter 208 or 229 of the general statutes that is engaged in the
112 business of manufacturing, as defined in subdivision (72) of section 12-

113 81 of the general statutes.

114 (b) The Department of Economic and Community Development
115 shall establish criteria and guidelines to select not more than fifty
116 manufacturers that may establish a reinvestment account pursuant to
117 subsection (c) of this section. Such criteria shall include, but not be
118 limited to, a requirement that any such manufacturer shall have not
119 more than fifty employees. The department shall, based on the criteria
120 established pursuant to this subsection, establish an ongoing list of
121 selected manufacturers.

122 (c) Any manufacturer may establish an interest-bearing
123 manufacturing reinvestment account, provided (1) contributions in
124 any income year shall not exceed the lesser of (A) fifty thousand
125 dollars, or (B) such manufacturer's domestic gross receipts, (2) moneys
126 may be held in such account for not more than five years, (3)
127 distributions from such account shall be used by such manufacturer to
128 purchase machinery, equipment or manufacturing facilities, as defined
129 in subdivision (72) of section 12-81 of the general statutes, or for
130 workforce training, development or expansion, and (4) disbursements
131 shall be subject to tax at a rate of three and one-half per cent regardless
132 of corporate or business structure.

133 (d) Any money remaining in a manufacturer's reinvestment account
134 at the end of the five-year period or any interest earned that results in
135 the account balance exceeding the amounts established pursuant to
136 subdivision (1) of subsection (c) in any given year shall be returned to
137 the manufacturer who shall pay the full rate of tax on such amount
138 under chapter 208 of the general statutes, provided such payment shall
139 be deemed to be a timely payment if such tax is remitted to the
140 Commissioner of Revenue Services not later than sixty days after the
141 date of such return.

142 Sec. 5. Subdivision (1) of subsection (a) of section 12-217 of the
143 general statutes is repealed and the following is substituted in lieu
144 thereof (*Effective July 1, 2011, and applicable to income years commencing*

145 on or after January 1, 2012):

146 (a) (1) In arriving at net income as defined in section 12-213, whether
147 or not the taxpayer is taxable under the federal corporation net income
148 tax, there shall be deducted from gross income, (A) all items deductible
149 under the Internal Revenue Code effective and in force on the last day
150 of the income year except (i) any taxes imposed under the provisions
151 of this chapter which are paid or accrued in the income year and in the
152 income year commencing January 1, 1989, and thereafter, any taxes in
153 any state of the United States or any political subdivision of such state,
154 or the District of Columbia, imposed on or measured by the income or
155 profits of a corporation which are paid or accrued in the income year,
156 (ii) deductions for depreciation, which shall be allowed as provided in
157 subsection (b) of this section, (iii) deductions for qualified domestic
158 production activities income, as provided in Section 199 of the Internal
159 Revenue Code, and (iv) in the case of any captive real estate
160 investment trust, the deduction for dividends paid provided under
161 Section 857(b)(2) of the Internal Revenue Code, and (B) additionally, in
162 the case of a regulated investment company, the sum of (i) the exempt-
163 interest dividends, as defined in the Internal Revenue Code, and (ii)
164 expenses, bond premium, and interest related to tax-exempt income
165 that are disallowed as deductions under the Internal Revenue Code,
166 and (C) in the case of a taxpayer maintaining an international banking
167 facility as defined in the laws of the United States or the regulations of
168 the Board of Governors of the Federal Reserve System, as either may
169 be amended from time to time, the gross income attributable to the
170 international banking facility, provided, no expense or loss attributable
171 to the international banking facility shall be a deduction under any
172 provision of this section, and (D) additionally, in the case of all
173 taxpayers, all dividends as defined in the Internal Revenue Code
174 effective and in force on the last day of the income year not otherwise
175 deducted from gross income, including dividends received from a
176 DISC or former DISC as defined in Section 992 of the Internal Revenue
177 Code and dividends deemed to have been distributed by a DISC or
178 former DISC as provided in Section 995 of said Internal Revenue Code,

179 other than thirty per cent of dividends received from a domestic
180 corporation in which the taxpayer owns less than twenty per cent of
181 the total voting power and value of the stock of such corporation, and
182 (E) additionally, in the case of all taxpayers, the value of any capital
183 gain realized from the sale of any land, or interest in land, to the state,
184 any political subdivision of the state, or to any nonprofit land
185 conservation organization where such land is to be permanently
186 preserved as protected open space or to a water company, as defined
187 in section 25-32a, where such land is to be permanently preserved as
188 protected open space or as Class I or Class II water company land, and
189 (F) in the case of manufacturers, the amount of any contribution to a
190 manufacturing reinvestment account established pursuant to section 5
191 of this act in the taxable year that such contribution is made.

192 Sec. 6. Subsection (a) of section 36a-250 of the general statutes is
193 amended by adding subdivision (42) as follows (*Effective July 1, 2011*):

194 (NEW) (42) Act as trustee or custodian of a manufacturing
195 reinvestment account established pursuant to section 4 of this act.

196 Sec. 7. Section 36a-251a of the general statutes is repealed and the
197 following is substituted in lieu thereof (*Effective July 1, 2011*):

198 The commissioner shall submit an annual report to the joint
199 standing committee of the General Assembly having cognizance of
200 matters relating to banks no later than January first. The report shall
201 summarize the commissioner's actions taken pursuant to section 36a-
202 70, 36a-139a or subdivisions [(40) and] (41) and (42) of subsection (a) of
203 section 36a-250.

204 Sec. 8. Subsection (a) of section 8-244 of the general statutes is
205 repealed and the following is substituted in lieu thereof (*Effective from*
206 *passage*):

207 (a) There is created a body politic and corporate to be known as the
208 "Connecticut Housing Finance Authority". Said authority is constituted
209 a public instrumentality and political subdivision of this state and the

210 exercise by the authority of the powers conferred by this chapter shall
211 be deemed and held to be the performance of an essential public and
212 governmental function. The Connecticut Housing Finance Authority
213 shall not be construed to be a department, institution or agency of the
214 state. The board of directors of the authority shall consist of fifteen
215 members as follows: (1) The Commissioner of Economic and
216 Community Development, the Secretary of the Office of Policy and
217 Management, the Banking Commissioner and the State Treasurer, ex
218 officio, with the right to vote, (2) seven members to be appointed by
219 the Governor, and (3) four members appointed as follows: One by the
220 president pro tempore of the Senate, one by the speaker of the House
221 of Representatives, one by the minority leader of the Senate and one by
222 the minority leader of the House of Representatives. The member
223 initially appointed by the speaker of the House of Representatives
224 shall serve a term of five years; the member initially appointed by the
225 president pro tempore of the Senate shall serve a term of four years.
226 The members initially appointed by the Senate minority leader shall
227 serve a term of three years. The member initially appointed by the
228 minority leader of the House of Representatives shall serve a term of
229 two years. Thereafter, each member appointed by a member of the
230 General Assembly shall serve a term of five years. The members
231 appointed by the Governor and the members of the General Assembly
232 shall be appointed in accordance with section 4-9b and among them be
233 experienced in all aspects of housing, including housing design,
234 development, finance, management and state and municipal finance,
235 and at least one of whom shall be selected from among the officers or
236 employees of the state. At least one shall have experience in the
237 provision of housing to very low, low and moderate income families.
238 On or before July first, annually, the Governor shall appoint a member
239 for a term of five years from said July first to succeed the member
240 whose term expires and until such member's successor has been
241 appointed, except that in 1974 and 1995 and quinquennially thereafter,
242 the Governor shall appoint two members. The chairperson of the
243 board shall be [appointed by the Governor, with the advice and
244 consent of both houses of the General Assembly] the Commissioner of

245 Economic and Community Development. The board shall annually
246 elect one of its appointed members as vice-chairperson of the board.
247 Members shall receive no compensation for the performance of their
248 duties hereunder but shall be reimbursed for necessary expenses
249 incurred in the performance thereof. The Governor or appointing
250 member of the General Assembly, as the case may be, shall fill any
251 vacancy for the unexpired term. A member of the board shall be
252 eligible for reappointment. Any member of the board may be removed
253 by the Governor or appointing member of the General Assembly, as
254 the case may be, for misfeasance, malfeasance or wilful neglect of duty.
255 Each member of the board before entering upon such member's duties
256 shall take and subscribe the oath of affirmation required by article XI,
257 section 1, of the State Constitution. A record of each such oath shall be
258 filed in the office of the Secretary of the State. Each ex-officio member
259 may designate such member's deputy or any member of such
260 member's staff to represent such member at meetings of the board with
261 full power to act and vote on such member's behalf.

262 Sec. 9. (*Effective from passage*) (a) There is established a task force to
263 study business and industry barriers in the state. The purpose of such
264 task force shall include, but not be limited to, an examination of issues
265 regarding (1) the establishment of links between state and
266 international companies and institutions of higher education and
267 cultivating the next generation of business innovation leaders in this
268 state; (2) the provision of incentives through international competitions
269 for such business innovation leaders to come to this state and, for such
270 business innovation leaders already located in this state, to remain and
271 contribute to innovation and technology growth in this state; (3) the
272 development of a global business plan, including, but not limited to,
273 holding international competitions in which prizes, stipends and first-
274 year investments are awarded to international business and industry
275 workers who relocate to and establish their businesses in this state; (4)
276 the offering of fellowships to top entrepreneurs who spend one year
277 developing a new firm in this state; (5) energy-related job growth,
278 economic development, workforce development, research and

279 development and information sharing by and among manufacturers
280 and institutions of higher education; (6) the number of first time
281 noncriminal violations in which a fine or penalty was assessed to a
282 business by the Department of Environmental Protection and for
283 which the violating business has taken full remedial measures and to
284 explore if these penalties could be waived as a result of the
285 remediation, as well as business penalty waiver programs for
286 noncriminal violations of environmental laws or regulations in other
287 states; and (7) the use of social media and other new technologies to
288 encourage socially-useful, community-based projects to compete for a
289 stipend, corporate support and funding.

290 (b) The task force shall consist of the following members:

291 (1) Two appointed by the speaker of the House of Representatives;

292 (2) Two appointed by the president pro tempore of the Senate;

293 (3) One appointed by the majority leader of the House of
294 Representatives;

295 (4) One appointed by the majority leader of the Senate;

296 (5) One appointed by the minority leader of the House of
297 Representatives;

298 (6) One appointed by the minority leader of the Senate;

299 (7) The chairpersons and ranking members of the joint standing
300 committees of the General Assembly having cognizance of matters
301 relating to higher education and commerce; and

302 (8) Three persons appointed by the Governor.

303 (c) Any member of the task force appointed under subdivision (1),
304 (2), (3), (4), (5) or (6) of subsection (b) of this section may be a member
305 of the General Assembly.

306 (d) All appointments to the task force shall be made not later than
307 thirty days after the effective date of this section. Any vacancy shall be
308 filled by the appointing authority.

309 (e) The speaker of the House of Representatives and the president
310 pro tempore of the Senate shall select the chairpersons of the task force
311 from among the members of the task force. Such chairpersons shall
312 schedule the first meeting of the task force, which shall be held not
313 later than sixty days after the effective date of this section.

314 (f) The administrative staff of the joint standing committees of the
315 General Assembly having cognizance of matters relating to commerce
316 and higher education and employment advancement shall serve as
317 administrative staff of the task force.

318 (g) Not later than February 1, 2012, the task force shall submit a
319 report on its findings and recommendations to the Governor and to the
320 standing committees of the General Assembly having cognizance of
321 matters relating to commerce and higher education and employment
322 advancement, in accordance with the provisions of section 11-4a of the
323 general statutes. The task force shall terminate on the date that it
324 submits such report or February 1, 2012, or whichever is later.

325 Sec. 10. Subsection (a) of section 32-9cc of the general statutes is
326 amended by adding subdivision (8) as follows (*Effective from passage*):

327 (NEW) (8) May enter into cooperative agreements with qualified
328 implementing agencies and may, where appropriate, make grants to
329 these organizations for the purpose of designing, implementing and
330 supervising brownfield assessment and cleanups, or making further
331 subgrants, provided each subgrant is in compliance with the terms and
332 conditions of the original grant.

333 Sec. 11. Section 32-717 of the general statutes is repealed and the
334 following is substituted in lieu thereof (*Effective July 1, 2011*):

335 (a) The Commissioner of Economic and Community Development [,

336 the chairperson of Connecticut Innovations, Incorporated, the
337 president of The University of Connecticut and the chairperson of the
338 Connecticut Development Authority, or their respective designees,
339 shall prepare] may, within available appropriations, [and in
340 consultation with the Connecticut Competitiveness Council, the
341 Commissioner of Education, the Commissioner of Higher Education,
342 the chancellor of the community-technical college system, the director
343 of the Office of Workforce Competitiveness and any other agencies
344 and leading technology-focused organizations deemed appropriate by
345 the Commissioner of Economic and Community Development,
346 recommendations for an implementation plan and budget to] establish
347 an Innovation Network, [that will include the following: (1) The
348 creation of endowed chairs and the hiring of leading academic
349 professionals in targeted fields based on core competencies to work at
350 universities, state colleges and community colleges, in collaboration
351 with other technology initiatives; (2)]

352 (1) Activities of such network may include, but not be limited to, (A)
353 convening the leaders of organizations that promote technology-based
354 economic development in the state; (B) creating a system for
355 networking entrepreneurs and others who seek assistance from one
356 part of the network to engage the whole network; (C) benchmarking
357 the best programs that promote innovation in economic development;
358 (D) developing a state-wide innovation database; (E) performing
359 periodic program reviews and recommending program changes to
360 benefit the state's innovation competitiveness; (F) investigating issued
361 patents; and (G) pursuing other initiatives the commissioner deems
362 appropriate to maintain the state's innovative competitiveness.

363 (2) The network may review and comment on such areas to include,
364 but not be limited to, (A) the focused and aggressive solicitation of and
365 leveraged partnership with federal research funds; [(3)] (B) increased
366 corporate-sponsored research; [(4)] (C) the establishment of at least one
367 innovation accelerator, linked to universities and involving
368 corporations and start-up enterprises focused on advanced technology;
369 [and leveraging the efforts underway by the Connecticut Center for

370 Advanced Technology in the Hartford area; (5)] (D) the strengthening
371 of technology transfer and entrepreneurship activities at universities in
372 the state; [(6)] (E) incentives and financial support for collaborative
373 research between universities and industry or federally sponsored
374 technology centers; [(7)] (F) the creation of linkages to angel networks;
375 and [(8)] (G) the creation of linkages to incubators in Connecticut. [Said
376 plan shall also include provisions for the utilization of existing
377 resources, including, but not limited to, Connecticut Innovations,
378 Incorporated, the Connecticut Development Authority, The University
379 of Connecticut and the Office of Workforce Competitiveness.]

380 (b) [Not later than January 1, 2006, the Commissioner of Economic
381 and Community Development, in consultation with the chairperson
382 of] The program established pursuant to subsection (a) of this section
383 may include provisions for the use of existing resources, including, but
384 not limited to, Connecticut Innovations, Incorporated, [the president
385 of] The University of Connecticut, the Labor Department, the
386 Connecticut State University System, any other higher education
387 institution, any federally funded centers of excellence and [the
388 chairperson of] the Connecticut Development Authority [, shall
389 develop an implementation plan for the Innovation Network, within
390 available resources, and submit said plan and budget to the Governor
391 and the joint standing committees of the General Assembly having
392 cognizance of matters relating to economic development, education
393 and labor, in accordance with the provisions of section 11-4a] and any
394 other resources identified by the commissioner.

395 (c) Up to five hundred thousand dollars appropriated to the
396 Department of Economic and Community Development in section 1 of
397 public act 11-6, for the Innovation Challenge Grant Program, shall be
398 used for the purpose of establishing the Innovation Network program
399 pursuant to subsection (a) of this section. Such funds shall be
400 nonlapsing.

401 Sec. 12. Subsection (c) of section 32-11a of the general statutes is
402 repealed and the following is substituted in lieu thereof (*Effective July*

403 1, 2011):

404 (c) The board of directors of the authority shall consist of the
405 Commissioner of Economic and Community Development, the State
406 Treasurer and the Secretary of the Office of Policy and Management,
407 each serving ex officio, four members appointed by the Governor who
408 shall be experienced in the field of financial lending or the
409 development of commerce, trade and business and four members
410 appointed as follows: One by the president pro tempore of the Senate,
411 one by the minority leader of the Senate, one by the speaker of the
412 House of Representatives and one by the minority leader of the House
413 of Representatives. Each ex-officio member may designate a deputy or
414 any member of the agency staff to represent the member at meetings of
415 the authority with full powers to act and vote on the member's behalf.
416 The chairperson of the board shall be [appointed by the Governor,
417 with the advice and consent of both houses of the General Assembly]
418 the Commissioner of Economic and Community Development. The
419 board shall annually elect one of its members as vice chairperson. Each
420 member appointed by the Governor shall serve at the pleasure of the
421 Governor but no longer than the term of office of the Governor or until
422 the member's successor is appointed and qualified, whichever is
423 longer. Each member appointed by a member of the General Assembly
424 shall serve in accordance with the provisions of section 4-1a. Members
425 shall receive no compensation but shall be reimbursed for necessary
426 expenses incurred in the performance of their duties under the
427 authority legislation, as defined in subsection (hh) of section 32-23d.
428 The Governor shall fill any vacancy for the unexpired term of a
429 member appointed by the Governor. The appropriate legislative
430 appointing authority shall fill any vacancy for the unexpired term of a
431 member appointed by such authority. A member of the board shall be
432 eligible for reappointment. Any member of the board may be removed
433 by the Governor for misfeasance, malfeasance or wilful neglect of
434 duty. Each member of the authority before entering upon his or her
435 duties shall take and subscribe the oath or affirmation required by
436 article XI, section 1, of the State Constitution. A record of each such

oath shall be filed in the office of the Secretary of the State. Meetings of the board shall be held at such times as shall be specified in the bylaws adopted by the board and at such other time or times as the chairperson deems necessary. The board is empowered to adopt bylaws and regulations for putting into effect the provisions of said chapters and sections. Not later than November first, annually, the authority shall submit a report to the Commissioner of Economic and Community Development, the Auditors of Public Accounts and the joint standing committees of the General Assembly having cognizance of matters relating to the Department of Economic and Community Development, appropriations and capital bonding, which shall include the following information with respect to new and outstanding financial assistance provided by the authority during the twelve-month period ending on June thirtieth next preceding the date of the report for each financial assistance program administered by the authority: (1) A list of the names, addresses and locations of all recipients of such assistance, (2) for each recipient: (A) The business activities, (B) the Standard Industrial Classification Manual codes, (C) the gross revenues during the recipient's most recent fiscal year if the recipient is an organization that makes such information public in the normal course of business, or, if the recipient does not make such information public in the normal course of business, the gross revenue information shall be provided for a recipient separately, using a system in which no recipient is listed by name but each is given a separate identity in a manner consistent with the provisions of subsection (a) of section 32-244, (D) the number of employees at the time of application, (E) whether the recipient is a minority or woman-owned business, (F) a summary of the terms and conditions for the assistance, including the type and amount of state financial assistance, job creation or retention requirements, and anticipated wage rates, and (G) the amount of investments from private and other nonstate sources that have been leveraged by the assistance, (3) the economic benefit criteria used in determining which applications have been approved or disapproved, and (4) for each recipient of assistance on or after July 1, 1991, a comparison between the number of jobs to be created, the

472 number of jobs to be retained and the average wage rates for each such
473 category of jobs, as projected in the recipient's application, versus the
474 actual number of jobs created, the actual number of jobs retained and
475 the average wage rates for each such category. The Governor and the
476 chairpersons and ranking members of the joint standing committees of
477 the General Assembly having cognizance of matters relating to the
478 Department of Economic and Community Development,
479 appropriations and capital bonding may, after a request to the
480 Connecticut Development Authority by any of said persons, examine,
481 in confidence, the detailed data, including the specific revenue data for
482 each recipient not listed by name, submitted pursuant to subparagraph
483 (C) of subdivision (2) of this subsection. The chairpersons and ranking
484 members of said committees may disclose such data to the members of
485 said committees, who shall also keep such data confidential. The
486 report shall also indicate the actual number of full-time jobs and the
487 actual number of part-time jobs in each such category and the benefit
488 levels for each such subcategory. In addition, the report shall state (A)
489 for each final application approved during the twelve-month period
490 covered by the report, (i) the date that the final application was
491 received by the authority, and (ii) the date of such approval; (B) for
492 each final application withdrawn during the twelve-month period
493 covered by the report, (i) the municipality in which the applicant is
494 located, (ii) the Standard Industrial Classification Manual code for the
495 applicant, (iii) the date that the final application was received by the
496 authority, and (iv) the date of such withdrawal; (C) for each final
497 application disapproved during the twelve-month period covered by
498 the report, (i) the municipality in which the applicant is located, (ii) the
499 Standard Industrial Classification Manual code for the applicant, (iii)
500 the date that the final application was received by the authority, and
501 (iv) the date of such disapproval; and (D) for each final application on
502 which no action has been taken by the applicant or the agency in the
503 twelve-month period covered by the report and for which no report
504 has been submitted under this subsection, (i) the municipality in which
505 the applicant is located, (ii) the Standard Industrial Classification
506 Manual code for the applicant, and (iii) the date that the final

507 application was received by the authority. The November first report
508 shall include a summary of the activities of the authority, including all
509 activities to assist small businesses and minority business enterprises,
510 as defined in section 4a-60g, a complete operating and financial
511 statement and recommendations for legislation to promote the
512 purposes of the authority. The authority shall furnish such additional
513 reports upon the written request of any such committee at such times
514 and containing such information as the committee may request. The
515 accounts of the authority shall be subject to annual audit by the state
516 Auditors of Public Accounts. The authority may cause an audit of its
517 books and accounts to be made at least once each fiscal year by
518 certified public accountants. The powers of the authority shall be
519 vested in and exercised by not less than six of the members of the
520 board of directors then in office. Such number of members shall
521 constitute a quorum and the affirmative vote of a majority of the
522 members present at a meeting of the board shall be necessary for any
523 action taken by the authority. No vacancy in the membership of the
524 board shall impair the right to exercise all the rights and perform all
525 the duties of the authority. Any action taken by the board under the
526 provisions of said chapters and sections may be authorized by
527 resolution at any regular or special meeting, and each such resolution
528 shall take effect immediately and need not be published or posted. The
529 authority shall be exempt from the provisions of section 4-9a.

530 Sec. 13. Subdivision (59) of section 12-81 of the general statutes is
531 repealed and the following is substituted in lieu thereof (*Effective from*
532 *passage and applicable to assessment years commencing on or after October 1,*
533 *2011*):

534 (59) (a) Any manufacturing facility, as defined in section 32-9p, as
535 amended by this act, acquired, constructed, substantially renovated or
536 expanded on or after July 1, 1978, in a distressed municipality, as
537 defined in said section or in a targeted investment community, as
538 defined in section 32-222, or in an enterprise zone designated pursuant
539 to section 32-70 and for which an eligibility certificate has been issued
540 by the Department of Economic and Community Development, and

541 any manufacturing plant designated by the Commissioner of
542 Economic and Community Development under subsection (a) of
543 section 32-75c as follows: To the extent of eighty per cent of its
544 valuation for purposes of assessment in each of the five full assessment
545 years following the assessment year in which the acquisition,
546 construction, renovation or expansion of the manufacturing facility is
547 completed, except that a manufacturing facility having a [standard
548 industrial classification code of 2833 or 2834] North American
549 Industrial Classification Code of 325411 or 325412 and having at least
550 one thousand full-time employees, as defined in subsection (f) of
551 section 32-9j, as amended by this act, shall be eligible to have the
552 assessment period extended for five additional years upon approval of
553 the commissioner, in accordance with all applicable regulations,
554 provided such full-time employees have not been relocated from
555 another facility in the state operated by the same eligible applicant;

556 (b) Any service facility, as defined in section 32-9p, as amended by
557 this act, acquired, constructed, substantially renovated or expanded on
558 or after July 1, 1996, and for which an eligibility certificate has been
559 issued by the Department of Economic and Community Development,
560 as follows: (i) In the case of an investment of twenty million dollars or
561 more but not more than thirty-nine million dollars in the service
562 facility, to the extent of forty per cent of its valuation for purposes of
563 assessment in each of the five full assessment years following the
564 assessment year in which the acquisition, construction, renovation or
565 expansion of the service facility is completed; (ii) in the case of an
566 investment of more than thirty-nine million dollars but not more than
567 fifty-nine million dollars in the service facility, to the extent of fifty per
568 cent of its valuation for purposes of assessment in each of the five full
569 assessment years following the assessment year in which the
570 acquisition, construction, renovation or expansion of the service
571 facility is completed; (iii) in the case of an investment of more than
572 fifty-nine million dollars but not more than seventy-nine million
573 dollars in the service facility, to the extent of sixty per cent of its
574 valuation for purposes of assessment in each of the five full assessment

575 years following the assessment year in which the acquisition,
576 construction, renovation or expansion of the service facility is
577 completed; (iv) in the case of an investment of more than seventy-nine
578 million dollars but not more than ninety million dollars in the service
579 facility, to the extent of seventy per cent of its valuation for purposes of
580 assessment in each of the five full assessment years following the
581 assessment year in which the acquisition, construction, renovation or
582 expansion of the service facility is completed; or (v) in the case of an
583 investment of more than ninety million dollars in the service facility, to
584 the extent of eighty per cent of its valuation for purposes of assessment
585 in each of the five full assessment years following the assessment year
586 in which the acquisition, construction, renovation or expansion of the
587 service facility is completed, except that any financial institution, as
588 defined in subsection (b) of section 32-236, having at least four
589 thousand qualified employees, as determined in accordance with an
590 agreement pursuant to subsection (c) of section 32-236, shall be eligible
591 to have the assessment period extended for five additional years upon
592 approval of the commissioner, in accordance with all applicable
593 regulations, provided such full-time employees have not been
594 relocated from another facility in the state operated by the same
595 eligible applicant. In no event shall the definition of qualified
596 employee be more favorable to the employer than the definition
597 provided in section 32-236;

598 (c) The completion date of a manufacturing facility, manufacturing
599 plant or a service facility will be determined by the Department of
600 Economic and Community Development taking into account the
601 issuance of occupancy certificates and such other factors as it deems
602 relevant. In the case of a manufacturing facility, manufacturing plant
603 or a service facility which consists of a constructed, renovated or
604 expanded portion of an existing plant, the assessed valuation of the
605 facility or manufacturing plant is the difference between the assessed
606 valuation of the plant prior to its being improved and the assessed
607 valuation of the plant upon completion of the improvements. In the
608 case of a manufacturing facility, manufacturing plant or a service

609 facility which consists of an acquired portion of an existing plant, the
610 assessed valuation of the facility or manufacturing plant is the assessed
611 valuation of the portion acquired. This exemption shall be applicable
612 during each such assessment year regardless of any change in the
613 ownership or occupancy of the facility or manufacturing plant. If
614 during any such assessment year, however, any facility for which an
615 eligibility certificate has been issued ceases to qualify as a
616 manufacturing facility, manufacturing plant or a service facility, the
617 entitlement to the exemption allowed by this subdivision shall
618 terminate for the assessment year following the date on which the
619 qualification ceases, and there shall not be a pro rata application of the
620 exemption. Any person who desires to claim the exemption provided
621 in this subdivision shall file annually with the assessor or board of
622 assessors in the distressed municipality, targeted investment
623 community or enterprise zone designated pursuant to section 32-70 in
624 which the manufacturing facility or service facility is located, on or
625 before the first day of November, written application claiming such
626 exemption on a form prescribed by the Secretary of the Office of Policy
627 and Management. Failure to file such application in this manner and
628 form within the time limit prescribed shall constitute a waiver of the
629 right to such exemption for such assessment year, unless an extension
630 of time is allowed pursuant to section 12-81k, and upon payment of the
631 required fee for late filing;

632 Sec. 14. Section 12-81u of the general statutes is repealed and the
633 following is substituted in lieu thereof (*Effective October 1, 2011, and*
634 *applicable to assessment years commencing on or after October 1, 2011*):

635 Any municipality may, by vote of its legislative body or, in a
636 municipality where the legislative body is a town meeting, by vote of
637 the board of selectmen, abate up to one hundred per cent of the
638 property taxes due for any tax year with respect to real or personal
639 property of any communications establishment [included in major
640 group 48, in the Standard Industrial Classification Manual, United
641 States Office of Management and Budget, 1987 edition] with a North
642 American Industrial Classification code of 515111, 515112, 515120,

643 515210, 517110 or 517410.

644 Sec. 15. Section 32-9j of the general statutes is repealed and the
645 following is substituted in lieu thereof (*Effective July 1, 2011*):

646 For the purposes of sections 32-9i to 32-9l, inclusive, the following
647 terms shall have the following meanings unless the context indicates
648 another meaning and intent:

649 (a) "Eligible municipality" means any municipality in the state
650 which is a distressed municipality as defined in subsection (b) of
651 section 32-9p, as amended by this act, and any other municipality in
652 the state which has a population of not less than ten thousand and
653 which has a rate of unemployment which exceeds one hundred ten per
654 cent of the state's average rate of unemployment, as determined by the
655 Labor Department, for the calendar year preceding the determination
656 of eligibility, provided no such other municipality with an
657 unemployment rate of less than six per cent shall be eligible. Eligible
658 municipalities shall be designated by the Department of Economic and
659 Community Development.

660 (b) "Eligible business facility" means (1) a business facility located in
661 an eligible municipality and for which a certificate of eligibility or
662 commitment letter has been issued by the department prior to March
663 1, 1991; or (2) a business facility for which a certificate of eligibility has
664 been issued by the department and which is located in an enterprise
665 zone designated pursuant to section 32-70. A business facility for
666 which such a certificate is issued shall be deemed an eligible business
667 facility only during the twenty-four-month period following the day
668 on which the certificate of eligibility is issued. A business facility may
669 not become an eligible business facility for the purposes of sections 32-
670 9i to 32-9l, inclusive, unless it meets each of the following
671 requirements: (A) It is a facility which does not primarily serve said
672 eligible municipality in which it is located. A facility shall be deemed
673 to meet this requirement if it is used primarily for the manufacturing,
674 processing or assembling of raw materials or manufactured products,

675 or for research or industrial warehousing, or any combination thereof
676 or, if located in an enterprise zone designated pursuant to section 32-
677 70, it is to be used by an establishment, an auxiliary or an operating
678 unit of an establishment, [as such terms are defined in the Standard
679 Industrial Classification Manual, in the categories of depository
680 institutions, nondepository credit institutions, insurance carriers,
681 holding or other investment offices, business services, health services,
682 fishing, hunting and trapping, motor freight transportation and
683 warehousing, water transportation, transportation by air,
684 transportation services, security and commodity brokers, dealers,
685 exchanges and services or engineering, accounting, research,
686 management and related services from the Standard Industrial
687 Classification Manual, which establishment, auxiliary or operating unit
688 shows a strong performance in exporting goods and services, as
689 defined by the commissioner through regulations adopted in
690 accordance with the provisions of chapter 54] which is an economic
691 base business as defined in subsection (d) of section 32-222 or has a
692 North American Industrial Classification code of 114111 through
693 114210, 311111 through 339999 or 482111 through 484230, 488310,
694 488320, 488991, 493120, 493130, 493190, 511210, 512110, 512120, 512191,
695 522210, 522293, 522294, 522298, 522310, 522320, 522390, 523110, 523120,
696 523130, 523140, 523210, 523910, 524113, 524114, 524126, 524127, 524128,
697 524130, 524292, 541711, 541712, 551111, 551112, 551114, 561422, 611310,
698 611410, 611420, 611430, 611513, 611519, 611710 and 624410 or any
699 business that is part of an economic cluster, as defined in subsection (e)
700 of section 32-222, or any establishment or auxiliary or operating unit
701 thereof, as defined in the North American Industrial Classification
702 System Manual. A facility shall not be deemed to meet this
703 requirement if (i) it is used primarily in making retail sales of goods or
704 services to customers who personally visit such facility to obtain such
705 goods or services, or (ii) it is used primarily as a hotel, apartment
706 house or other place of business which furnishes dwelling space or
707 accommodations to either residents or transients; (B) it is a facility
708 which is newly constructed or has undergone major expansion or
709 renovation as determined by the Commissioner of Economic and

710 Community Development, and (C) it is a facility which will create in
711 the eligible municipality in which it is located, as a direct result of such
712 construction, expansion or renovation, not less than five new
713 employment positions, or in the case of a facility located in an
714 enterprise zone designated pursuant to section 32-70, not less than
715 three new employment positions in the enterprise zone.

716 (c) "Commissioner" means the Commissioner of Economic and
717 Community Development.

718 (d) "Department" means the Department of Economic and
719 Community Development.

720 (e) "Eligibility period" means the twenty-four-month period
721 following the day on which the certificate of eligibility is issued.

722 (f) "Full-time employee" means an employee who works a minimum
723 of thirty-five hours per week.

724 Sec. 16. Section 32-9p of the general statutes is repealed and the
725 following is substituted in lieu thereof (*Effective July 1, 2011*):

726 As used in subdivisions (59) and (60) of section 12-81, as amended
727 by this act, and sections 12-217e, 32-9p to 32-9s, inclusive, as amended
728 by this act, and 32-23p, the following words and terms have the
729 following meanings:

730 (a) "Area of high unemployment" means, as of the date of any final
731 and official determination by the authority or the department to
732 extend assistance under said sections, any municipality which is a
733 distressed municipality as defined in subsection (b) of this section, and
734 any other municipality in the state which in the calendar year
735 preceding such determination had a rate of unemployment which
736 exceeded one hundred ten per cent of the average rate of
737 unemployment in the state for the same calendar year, as determined
738 by the Labor Department, provided no such other municipality with
739 an unemployment rate of less than six per cent shall be an area of high

740 unemployment.

741 (b) "Distressed municipality" means, as of the date of the issuance of
742 an eligibility certificate, any municipality in the state which, according
743 to the United States Department of Housing and Urban Development
744 meets the necessary number of quantitative physical and economic
745 distress thresholds which are then applicable for eligibility for the
746 urban development action grant program under the Housing and
747 Community Development Act of 1977, as amended, or any town
748 within which is located an unconsolidated city or borough which
749 meets such distress thresholds. Any municipality which, at any time
750 subsequent to July 1, 1978, has met such thresholds but which at any
751 time thereafter fails to meet such thresholds, according to said
752 department, shall be deemed to be a distressed municipality for a
753 period of five years subsequent to the date of the determination that
754 such municipality fails to meet such thresholds, unless such
755 municipality elects to terminate its designation as a "distressed
756 municipality", by vote of its legislative body, not later than September
757 1, 1985, or not later than three months after receiving notification from
758 the commissioner that it no longer meets such thresholds, whichever is
759 later. In the event a distressed municipality elects to terminate its
760 designation, the municipality shall notify the commissioner and the
761 Secretary of the Office of Policy and Management in writing within
762 thirty days. In the event that the commissioner determines that
763 amendatory federal legislation or administrative regulation has
764 materially changed the distress thresholds thereby established,
765 "distressed municipality" shall mean any municipality in the state
766 which meets comparable thresholds of distress which are then
767 applicable in the areas of high unemployment and poverty, aging
768 housing stock and low or declining rates of growth in job creation,
769 population and per capita income as established by the commissioner,
770 consistent with the purposes of subdivisions (59) and (60) of section 12-
771 81, as amended by this act, and sections 12-217e, 32-9p to 32-9s,
772 inclusive, as amended by this act, and 32-23p, in regulations adopted
773 in accordance with chapter 54. For purposes of sections 32-9p to 32-9s,

774 inclusive, as amended by this act, "distressed municipality" shall also
775 mean any municipality adversely impacted by a major plant closing,
776 relocation or layoff, provided the eligibility of a municipality shall not
777 exceed two years from the date of such closing, relocation or layoff.
778 The Commissioner of Economic and Community Development shall
779 adopt regulations, in accordance with the provisions of chapter 54,
780 which define what constitutes a "major plant closing, relocation or
781 layoff" for purposes of sections 32-9p to 32-9s, inclusive, as amended
782 by this act. "Distressed municipality" shall also mean the portion of
783 any municipality which is eligible for designation as an enterprise
784 zone pursuant to subdivision (2) of subsection (b) of section 32-70.

785 (c) "Eligibility certificate" means a certificate issued by the
786 department pursuant to section 32-9r, as amended by this act,
787 evidencing its determination that a facility for which an application for
788 assistance has been submitted qualifies as a manufacturing facility and
789 is eligible for assistance under section 12-217e and subdivisions (59)
790 and (60) of section 12-81, as amended by this act.

791 (d) "Manufacturing facility" means any plant, building, other real
792 property improvement, or part thereof, (1) which (A) is constructed or
793 substantially renovated or expanded on or after July 1, 1978, in a
794 distressed municipality, a targeted investment community as defined
795 in section 32-222, or an enterprise zone designated pursuant to section
796 32-70, or (B) is acquired on or after July 1, 1978, in a distressed
797 municipality, a targeted investment community as defined in section
798 32-222, or an enterprise zone designated pursuant to said section 32-70,
799 by a business organization which is unrelated to and unaffiliated with
800 the seller, after having been idle for at least one year prior to its
801 acquisition and regardless of its previous use; (2) which is to be used
802 for the manufacturing, processing or assembling of raw materials,
803 parts or manufactured products, for research and development
804 facilities directly related to manufacturing, for the significant servicing,
805 overhauling or rebuilding of machinery and equipment for industrial
806 use, or, except as provided in this subsection, for warehousing and
807 distribution or, (A) if located in an enterprise zone designated

808 pursuant to said section 32-70, which is to be used by an establishment,
809 an auxiliary or an operating unit of an establishment, [as such terms
810 are defined in the Standard Industrial Classification Manual, in the
811 categories of depository institutions, nondepository credit institutions,
812 insurance carriers, holding or other investment offices, business
813 services, health services, fishing, hunting and trapping, motor freight
814 transportation and warehousing, water transportation, transportation
815 by air, transportation services, security and commodity brokers,
816 dealers, exchanges and services, telemarketing or engineering,
817 accounting, research, management and related services including, but
818 not limited to, management consulting services from the Standard
819 Industrial Classification Manual or in Sector 48, 49, 52, 54, 55, or 62,
820 Subsector 114 or 561, or industry group 5621 in the North American
821 Industrial Classification System, United States Manual, United States
822 Office of Management and Budget, 1997 edition, which establishment,
823 auxiliary or operating unit shows a strong performance in exporting
824 goods and services, and as further defined by the commissioner
825 through regulations adopted under chapter 54] which is an economic
826 base business as defined in subsection (d) of section 32-222 or has a
827 North American Industrial Classification code of 114111 through
828 114210, 311111 through 339999 or 482111 through 484230, 488310,
829 488320, 488991, 493120, 493130, 493190, 511210, 512110, 512120, 512191,
830 522210, 522293, 522294, 522298, 522310, 522320, 522390, 523110, 523120,
831 523130, 523140, 523210, 523910, 524113, 524114, 524126, 524127, 524128,
832 524130, 524292, 541711, 541712, 551111, 551112, 551114, 561422, 611310,
833 611410, 611420, 611430, 611513, 611519, 611710 and 624410 or any
834 business that is part of an economic cluster, as defined in subsection (e)
835 of section 32-222, or any establishment or auxiliary or operating unit
836 thereof, as defined in the North American Industrial Classification
837 System Manual, or (B) if located in an enterprise zone designated
838 pursuant to said section 32-70, which is to be used by an establishment
839 primarily engaged in supplying goods or services in the fields of
840 computer hardware or software, computer networking,
841 telecommunications or communications, or (C) if located in a
842 municipality with an entertainment district designated under section

843 32-76 or established under section 2 of public act 93-311, is to be used
844 in the production of entertainment products, including multimedia
845 products, or as part of the airing, display or provision of live
846 entertainment for stage or broadcast, including support services such
847 as set manufacturers, scenery makers, sound and video equipment
848 providers and manufacturers, stage and screen writers, providers of
849 capital for the entertainment industry and agents for talent, writers,
850 producers and music properties and technological infrastructure
851 support including, but not limited to, fiber optics, necessary to support
852 multimedia and other entertainment formats, except entertainment
853 provided by or shown at a gambling or gaming facility or a facility
854 whose primary business is the sale or serving of alcoholic beverages;
855 and (3) for which the department has issued an eligibility certificate in
856 accordance with section 32-9r, as amended by this act. In the case of
857 facilities which are acquired, the department may waive the
858 requirement of one year of idleness if it determines that, absent
859 qualification as a manufacturing facility under subdivisions (59) and
860 (60) of section 12-81, as amended by this act, and sections 12-217e, 32-
861 9p to 32-9s, inclusive, as amended by this act, and 32-23p, there is a
862 high likelihood that the facility will remain idle for one year. In the
863 case of facilities located in an enterprise zone designated pursuant to
864 said section 32-70, (A) the idleness requirement in subparagraph (B) of
865 subdivision (1) of this subsection, for business organizations which
866 over the six months preceding such acquisition have had an average
867 total employment of between six and nineteen employees, inclusive,
868 shall be reduced to a minimum of six months, and (B) the idleness
869 requirement shall not apply to business organizations with an average
870 total employment of five or fewer employees, provided no more than
871 one eligibility certificate shall be issued under this subparagraph for
872 the same facility within a three-year period. Of those facilities which
873 are for warehousing and distribution, only those which are newly
874 constructed or which represent an expansion of an existing facility
875 qualify as manufacturing facilities. In the event that only a portion of a
876 plant is acquired, constructed, renovated or expanded, only the
877 portion acquired, constructed, renovated or expanded constitutes the

878 manufacturing facility. A manufacturing facility which is leased may
879 for the purposes of subdivisions (59) and (60) of section 12-81, as
880 amended by this act, and sections 12-217e, 32-9p to 32-9s, inclusive, as
881 amended by this act, and 32-23p, be treated in the same manner as a
882 facility which is acquired if the provisions of the lease serve to further
883 the purposes of subdivisions (59) and (60) of section 12-81, as amended
884 by this act, and sections 12-217e, 32-9p to 32-9s, inclusive, as amended
885 by this act, and 32-23p and demonstrate a substantial, long-term
886 commitment by the occupant to use the manufacturing facility,
887 including a contract for lease for an initial minimum term of five years
888 with provisions for the extension of the lease at the request of the
889 lessee for an aggregate term which shall not be less than ten years, or
890 the right of the lessee to purchase the facility at any time after the
891 initial five-year term, or both. For a facility located in an enterprise
892 zone designated pursuant to said section 32-70, and occupied by a
893 business organization with an average total employment of ten or
894 fewer employees over the six-month period preceding acquisition,
895 such contract for lease may be for an initial minimum term of three
896 years with provisions for the extension of the lease at the request of the
897 lessee for an aggregate term which shall not be less than six years, or
898 the right of the lessee to purchase the facility at any time after the
899 initial three-year term, or both, and may also include the right for the
900 lessee to relocate to other space within the same enterprise zone,
901 provided such space is under the same ownership or control as the
902 originally leased space or if such space is not under such same
903 ownership or control as the originally leased space, permission to
904 relocate is granted by the lessor of such originally leased space, and
905 such relocation shall not extend the duration of benefits granted under
906 the original eligibility certificate. Except as provided in subparagraph
907 (B) of subdivision (1) of this subsection, a manufacturing facility does
908 not include any plant, building, other real property improvement or
909 part thereof used or usable for such purposes which existed before July
910 1, 1978.

911 (e) "Service facility" means a manufacturing facility described in

912 subparagraph (A) or (B) of subdivision (2) of subsection (d) of this
913 section, provided such facility is located outside of an enterprise zone
914 in a targeted investment community.

915 (f) "Authority", "capital reserve fund bond", "commissioner",
916 "department", "industrial project" and "insurance fund" shall have the
917 meaning such words and terms are given in section 32-23d.

918 (g) "Municipality" means any town, city or borough in the state.

919 Sec. 17. Section 32-9p of the general statutes, as amended by section
920 5 of public act 10-98, is repealed and the following is substituted in lieu
921 thereof (*Effective October 1, 2011*):

922 As used in subdivisions (59) and (60) of section 12-81, as amended
923 by this act, and sections 12-217e, 32-9p to 32-9s, inclusive, as amended
924 by this act, and 32-23p, the following words and terms have the
925 following meanings:

926 (a) "Area of high unemployment" means, as of the date of any final
927 and official determination by the authority or the department to
928 extend assistance under said sections, any municipality which is a
929 distressed municipality as defined in subsection (b) of this section, and
930 any other municipality in the state which in the calendar year
931 preceding such determination had a rate of unemployment which
932 exceeded one hundred ten per cent of the average rate of
933 unemployment in the state for the same calendar year, as determined
934 by the Labor Department, provided no such other municipality with
935 an unemployment rate of less than six per cent shall be an area of high
936 unemployment.

937 (b) "Distressed municipality" means, as of the date of the issuance of
938 an eligibility certificate, any municipality in the state which, according
939 to the United States Department of Housing and Urban Development
940 meets the necessary number of quantitative physical and economic
941 distress thresholds which are then applicable for eligibility for the
942 urban development action grant program under the Housing and

943 Community Development Act of 1977, as amended, or any town
944 within which is located an unconsolidated city or borough which
945 meets such distress thresholds. Any municipality which, at any time
946 subsequent to July 1, 1978, has met such thresholds but which at any
947 time thereafter fails to meet such thresholds, according to said
948 department, shall be deemed to be a distressed municipality for a
949 period of five years subsequent to the date of the determination that
950 such municipality fails to meet such thresholds, unless such
951 municipality elects to terminate its designation as a "distressed
952 municipality", by vote of its legislative body, not later than September
953 1, 1985, or not later than three months after receiving notification from
954 the commissioner that it no longer meets such thresholds, whichever is
955 later. In the event a distressed municipality elects to terminate its
956 designation, the municipality shall notify the commissioner and the
957 Secretary of the Office of Policy and Management in writing within
958 thirty days. In the event that the commissioner determines that
959 amendatory federal legislation or administrative regulation has
960 materially changed the distress thresholds thereby established,
961 "distressed municipality" shall mean any municipality in the state
962 which meets comparable thresholds of distress which are then
963 applicable in the areas of high unemployment and poverty, aging
964 housing stock and low or declining rates of growth in job creation,
965 population and per capita income as established by the commissioner,
966 consistent with the purposes of subdivisions (59) and (60) of section 12-
967 81, as amended by this act, and sections 12-217e, 32-9p to 32-9s,
968 inclusive, as amended by this act, and 32-23p, in regulations adopted
969 in accordance with chapter 54. For purposes of sections 32-9p to 32-9s,
970 inclusive, as amended by this act, "distressed municipality" shall also
971 mean any municipality adversely impacted by a major plant closing,
972 relocation or layoff, provided the eligibility of a municipality shall not
973 exceed two years from the date of such closing, relocation or layoff.
974 The Commissioner of Economic and Community Development shall
975 adopt regulations, in accordance with the provisions of chapter 54,
976 which define what constitutes a "major plant closing, relocation or
977 layoff" for purposes of sections 32-9p to 32-9s, inclusive, as amended

978 by this act. "Distressed municipality" shall also mean the portion of
979 any municipality which is eligible for designation as an enterprise
980 zone pursuant to subdivision (2) of subsection (b) of section 32-70, [and
981 the portion of any municipality that contains the airport development
982 zone established pursuant to section 32-75d.]

983 (c) "Eligibility certificate" means a certificate issued by the
984 department pursuant to section 32-9r, as amended by this act,
985 evidencing its determination that a facility for which an application for
986 assistance has been submitted qualifies as a manufacturing facility and
987 is eligible for assistance under section 12-217e and subdivisions (59)
988 and (60) of section 12-81, as amended by this act.

989 (d) "Manufacturing facility" means any plant, building, other real
990 property improvement, or part thereof, (1) which (A) is constructed or
991 substantially renovated or expanded on or after July 1, 1978, in a
992 distressed municipality, a targeted investment community as defined
993 in section 32-222, an enterprise zone designated pursuant to section 32-
994 70 or the airport development zone established pursuant to section 32-
995 75d, or (B) is acquired on or after July 1, 1978, in a distressed
996 municipality, a targeted investment community as defined in section
997 32-222, an enterprise zone designated pursuant to said section 32-70 or
998 the airport development zone established pursuant to section 32-75d,
999 by a business organization which is unrelated to and unaffiliated with
1000 the seller, after having been idle for at least one year prior to its
1001 acquisition and regardless of its previous use; (2) which is to be used
1002 for the manufacturing, processing or assembling of raw materials,
1003 parts or manufactured products, for research and development
1004 facilities directly related to manufacturing, for the significant servicing,
1005 overhauling or rebuilding of machinery and equipment for industrial
1006 use, or, except as provided in this subsection, for warehousing and
1007 distribution or, (A) if located in an enterprise zone designated
1008 pursuant to said section 32-70, which is to be used by an establishment,
1009 an auxiliary or an operating unit of an establishment, [as such terms
1010 are defined in the Standard Industrial Classification Manual, in the
1011 categories of depository institutions, nondepository credit institutions,

1012 insurance carriers, holding or other investment offices, business
1013 services, health services, fishing, hunting and trapping, motor freight
1014 transportation and warehousing, water transportation, transportation
1015 by air, transportation services, security and commodity brokers,
1016 dealers, exchanges and services, telemarketing or engineering,
1017 accounting, research, management and related services including, but
1018 not limited to, management consulting services from the Standard
1019 Industrial Classification Manual or in Sector 48, 49, 52, 54, 55, or 62,
1020 Subsector 114 or 561, or industry group 5621 in the North American
1021 Industrial Classification System, United States Manual, United States
1022 Office of Management and Budget, 1997 edition, which establishment,
1023 auxiliary or operating unit shows a strong performance in exporting
1024 goods and services, and as further defined by the commissioner
1025 through regulations adopted under chapter 54] which is an economic
1026 base business as defined in subsection (d) of section 32-222 or has a
1027 North American Industrial Classification code of 114111 through
1028 114210, 311111 through 339999 or 482111 through 484230, 488310,
1029 488320, 488991, 493120, 493130, 493190, 511210, 512110, 512120, 512191,
1030 522210, 522293, 522294, 522298, 522310, 522320, 522390, 523110, 523120,
1031 523130, 523140, 523210, 523910, 524113, 524114, 524126, 524127, 524128,
1032 524130, 524292, 541711, 541712, 551111, 551112, 551114, 561422, 611310,
1033 611410, 611420, 611430, 611513, 611519, 611710 and 624410 or any
1034 business that is part of an economic cluster, as defined in subsection (e)
1035 of section 32-222, or any establishment or auxiliary or operating unit
1036 thereof, as defined in the North American Industrial Classification
1037 System Manual, or (B) if located in an enterprise zone designated
1038 pursuant to said section 32-70, which is to be used by an establishment
1039 primarily engaged in supplying goods or services in the fields of
1040 computer hardware or software, computer networking,
1041 telecommunications or communications, or (C) if located in a
1042 municipality with an entertainment district designated under section
1043 32-76 or established under section 2 of public act 93-311, is to be used
1044 in the production of entertainment products, including multimedia
1045 products, or as part of the airing, display or provision of live
1046 entertainment for stage or broadcast, including support services such

1047 as set manufacturers, scenery makers, sound and video equipment
1048 providers and manufacturers, stage and screen writers, providers of
1049 capital for the entertainment industry and agents for talent, writers,
1050 producers and music properties and technological infrastructure
1051 support including, but not limited to, fiber optics, necessary to support
1052 multimedia and other entertainment formats, except entertainment
1053 provided by or shown at a gambling or gaming facility or a facility
1054 whose primary business is the sale or serving of alcoholic beverages, or
1055 (D) if located in the airport development zone established pursuant to
1056 section 32-75d, (i) which is to be used for the warehousing or motor
1057 freight distribution of goods transported by aircraft to or from an
1058 airport located in such zone, or (ii) in the opinion of the Commissioner
1059 of Economic and Community Development, is dependent upon or
1060 directly related to such airport and which, except as provided in this
1061 subparagraph, is to be used for any other business service, including,
1062 but not limited to, information technology but excluding any service
1063 provided by an organization that has a North American Industrial
1064 Classification Code of 441110 to 454390, inclusive, 532111, 532112 or
1065 812930; and (3) for which the department has issued an eligibility
1066 certificate in accordance with section 32-9r, as amended by this act. In
1067 the case of facilities which are acquired, the department may waive the
1068 requirement of one year of idleness if it determines that, absent
1069 qualification as a manufacturing facility under subdivisions (59) and
1070 (60) of section 12-81, as amended by this act, and sections 12-217e, 32-
1071 9p to 32-9s, inclusive, as amended by this act, and 32-23p, there is a
1072 high likelihood that the facility will remain idle for one year. In the
1073 case of facilities located in an enterprise zone designated pursuant to
1074 said section 32-70, (A) the idleness requirement in subparagraph (B) of
1075 subdivision (1) of this subsection, for business organizations which
1076 over the six months preceding such acquisition have had an average
1077 total employment of between six and nineteen employees, inclusive,
1078 shall be reduced to a minimum of six months, and (B) the idleness
1079 requirement shall not apply to business organizations with an average
1080 total employment of five or fewer employees, provided no more than
1081 one eligibility certificate shall be issued under this subparagraph for

1082 the same facility within a three-year period. Of those facilities which
1083 are for warehousing and distribution, only those which are newly
1084 constructed or which represent an expansion of an existing facility
1085 qualify as manufacturing facilities. In the event that only a portion of a
1086 plant is acquired, constructed, renovated or expanded, only the
1087 portion acquired, constructed, renovated or expanded constitutes the
1088 manufacturing facility. A manufacturing facility which is leased may
1089 for the purposes of subdivisions (59) and (60) of section 12-81, as
1090 amended by this act, and sections 12-217e, 32-9p to 32-9s, inclusive, as
1091 amended by this act, and 32-23p, be treated in the same manner as a
1092 facility which is acquired if the provisions of the lease serve to further
1093 the purposes of subdivisions (59) and (60) of section 12-81, as amended
1094 by this act, and sections 12-217e, 32-9p to 32-9s, inclusive, as amended
1095 by this act, and 32-23p and demonstrate a substantial, long-term
1096 commitment by the occupant to use the manufacturing facility,
1097 including a contract for lease for an initial minimum term of five years
1098 with provisions for the extension of the lease at the request of the
1099 lessee for an aggregate term which shall not be less than ten years, or
1100 the right of the lessee to purchase the facility at any time after the
1101 initial five-year term, or both. For a facility located in an enterprise
1102 zone designated pursuant to said section 32-70, and occupied by a
1103 business organization with an average total employment of ten or
1104 fewer employees over the six-month period preceding acquisition,
1105 such contract for lease may be for an initial minimum term of three
1106 years with provisions for the extension of the lease at the request of the
1107 lessee for an aggregate term which shall not be less than six years, or
1108 the right of the lessee to purchase the facility at any time after the
1109 initial three-year term, or both, and may also include the right for the
1110 lessee to relocate to other space within the same enterprise zone,
1111 provided such space is under the same ownership or control as the
1112 originally leased space or if such space is not under such same
1113 ownership or control as the originally leased space, permission to
1114 relocate is granted by the lessor of such originally leased space, and
1115 such relocation shall not extend the duration of benefits granted under
1116 the original eligibility certificate. Except as provided in subparagraph

1117 (B) of subdivision (1) of this subsection, a manufacturing facility does
1118 not include any plant, building, other real property improvement or
1119 part thereof used or usable for such purposes which existed before July
1120 1, 1978.

1121 (e) "Service facility" means a manufacturing facility described in
1122 subparagraph (A) or (B) of subdivision (2) of subsection (d) of this
1123 section, provided such facility is located outside of an enterprise zone
1124 in a targeted investment community.

1125 (f) "Authority", "capital reserve fund bond", "commissioner",
1126 "department", "industrial project" and "insurance fund" shall have the
1127 meaning such words and terms are given in section 32-23d.

1128 (g) "Municipality" means any town, city or borough in the state.

1129 Sec. 18. Subsection (f) of section 32-9r of the general statutes is
1130 repealed and the following is substituted in lieu thereof (*Effective July*
1131 *1, 2011*):

1132 (f) The commissioner shall adopt regulations, in accordance with
1133 chapter 54, to carry out the provisions of this section. Such regulations
1134 shall provide that establishments in the category of business support
1135 services, as defined in [the Standard Industrial Classification Manual]
1136 subsection (b) of section 32-222, or manufacturing facilities, as defined
1137 in subsection (d) of section 32-9p, as amended by this act, may be
1138 eligible for a certificate if they are located in an enterprise zone.

1139 Sec. 19. Subdivision (1) of subsection (g) of section 32-9t of the
1140 general statutes is repealed and the following is substituted in lieu
1141 thereof (*Effective July 1, 2011*):

1142 (g) (1) The commissioner, upon consideration of the application, the
1143 revenue impact assessment and any additional information that the
1144 commissioner requires concerning a proposed investment, may
1145 approve an investment if the commissioner concludes that the project
1146 in which such investment is to be made is an eligible urban

1147 reinvestment project or an eligible industrial site investment project. If
1148 the commissioner rejects an application, the commissioner shall
1149 specifically identify the defects in the application and specifically
1150 explain the reasons for the rejection. The commissioner shall render a
1151 decision on an application not later than ninety days from its receipt.
1152 The amount of the investment so approved shall not exceed the greater
1153 of: (A) The amount of state revenue that will be generated according to
1154 the revenue impact assessment prepared under this subsection; or (B)
1155 the total of state revenue and local revenue generated according to
1156 such assessment in the case of a manufacturing business with
1157 [standard industrial classification codes of 3999, 2099, 2992 and 2834
1158 which] North American Industrial Classification codes of 339999,
1159 311211 through 312140, 324191 and 325412 that is relocating to a site in
1160 Connecticut from out-of-state, provided the relocation will result in
1161 new development of at least seven hundred twenty-five thousand
1162 square feet in a state-sponsored industrial park.

1163 Sec. 20. Subsection (d) of section 16a-40b of the general statutes is
1164 repealed and the following is substituted in lieu thereof (*Effective July*
1165 *1, 2011*):

1166 (d) With respect to such loans made on or after July 1, 1981, all
1167 repayments of principal shall be [paid to the State Treasurer for
1168 deposit in the Housing Repayment and Revolving Loan Fund]
1169 deposited into the Energy Conservation Loan Fund established
1170 pursuant to section 16a-40a. The interest applicable to any such loans
1171 made shall be paid to the State Treasurer for deposit in the General
1172 Fund. [After the close of each fiscal year, commencing with the close of
1173 the fiscal year ending June 30, 1992, and prior to the date of the
1174 calculation required under subsection (f) of this section, the
1175 Commissioner of Economic and Community Development shall cause
1176 any balance of loan repayments under this section remaining in said
1177 fund to be transferred to the Energy Conservation Loan Fund created
1178 pursuant to section 16a-40a.]

1179 Sec. 21. Subparagraph (B) of subdivision (2) of subsection (e) of

1180 section 8-37qq of the general statutes is repealed and the following is
1181 substituted in lieu thereof (*Effective July 1, 2011*):

1182 (B) Notwithstanding any provision of the general statutes or any
1183 public or special act to the contrary, except as provided in this
1184 subsection, loans for any bond-financed state housing program which
1185 the ultimate recipient is obligated to repay to the state, with or without
1186 interest, may be paid out of moneys deposited in the Housing
1187 Repayment and Revolving Loan Fund without the prior approval of
1188 the State Bond Commission, subject to the approval of the Governor of
1189 an allotment. [All payments on energy conservation loans pursuant to
1190 said section 16a-40b shall be accounted for separately from other
1191 moneys in the Housing Repayment and Revolving Loan Fund, and
1192 shall be used to make further loans pursuant to said section 16a-40b
1193 and to pay any administrative expense attributable to such loans.]

1194 Sec. 22. Section 32-345 of the general statutes is repealed and the
1195 following is substituted in lieu thereof (*Effective July 1, 2011*):

1196 (a) The Department of Economic and Community Development
1197 may establish a Connecticut development research and economic
1198 assistance matching grant program, within available appropriations
1199 and, for the purposes of providing financial aid, as defined in
1200 subdivision (4) of section 32-34, to assist: (1) Connecticut small
1201 businesses in conducting marketing-related activities to facilitate
1202 commercialization of research projects funded under the small
1203 business innovation research program or the small business
1204 technology transfer program; (2) business-led consortia or Connecticut
1205 businesses in connection with their participation in a federal
1206 technology support program; and (3) micro businesses, in conducting
1207 development and research. The department may enter into an
1208 agreement, pursuant to chapter 55a, with a person, firm, corporation or
1209 other entity to operate such program.

1210 (b) Applications shall be submitted in the manner prescribed by the
1211 department. Each such application shall include the following: (1) The

1212 location of the principal place of business of the applicant; (2) an
1213 explanation of the intended use of the funding being applied for, the
1214 potential market for the end product of the project and the marketing
1215 strategy; and (3) such other information that the department deems
1216 necessary. Information contained in any such application submitted to
1217 the department under this section which is of a proprietary nature
1218 shall be exempt from the provisions of subsection (a) of section 1-210.

1219 (c) In determining whether an applicant shall be selected for
1220 funding pursuant to this section, the department, or the operator, if
1221 any, selected pursuant to subsection (a) of this section, shall consider,
1222 but such consideration need not be limited to, the following factors: (1)
1223 The description of the small business innovation research project, the
1224 small business technology transfer project or the federally-supported
1225 technology project and the potential commercial applicability of such
1226 project; (2) evidence of satisfactory participation in the applicable small
1227 business innovation research program, the small business technology
1228 transfer program or the federal technology support program; (3) the
1229 potential impact of such research project on the workforce in the
1230 region where such small business is located; (4) the size of the potential
1231 market, strength of the marketing strategy, and ability of the applicant
1232 to execute the strategy and successfully commercialize the end
1233 product; and (5) the resources and record of success of the company
1234 relative to development and commercialization. Within the availability
1235 of funds, the department may provide financial aid to eligible
1236 applicants provided no business may receive more than fifty thousand
1237 dollars for any single small business innovation research project or
1238 small business technology transfer project. The department may
1239 require a business to repay such assistance or pay a multiple of the
1240 assistance to the department. All such repayments and payments shall
1241 be deposited in the Connecticut technology partnership assistance
1242 program revolving account established under section 32-346.

1243 (d) The department may establish a development, research and
1244 economic assistance matching financial aid program for micro
1245 businesses that have received federal funds for Phase II proposals

1246 under the small business innovation research program and the small
1247 business technology transfer program. Any micro business receiving
1248 financial aid under this subsection shall use such financial aid for the
1249 same purpose such micro business was awarded said federal funds.
1250 The department may enter into an agreement, pursuant to chapter 55a,
1251 with a person, firm, corporation or other entity to operate such a
1252 program.

1253 [(e) On or before January 15, 2008, and annually thereafter, the
1254 Commissioner of Economic and Community Development shall, in
1255 consultation with the program operator, if any, submit a report on the
1256 status of the development research and economic assistance matching
1257 grant program to the chairpersons of the joint standing committee of
1258 the General Assembly having cognizance of matters relating to the
1259 Department of Economic and Community Development. Such report
1260 shall include, but need not be limited to, a description of the projects
1261 supported and the type of financial aid provided.]

1262 Sec. 23. Subsection (c) of section 32-1o of the general statutes is
1263 repealed and the following is substituted in lieu thereof (*Effective July*
1264 *1, 2011*):

1265 (c) The strategic plan required under this section shall include, but
1266 not be limited to, the following:

1267 (1) A review and evaluation of the economy of the state. Such
1268 review and evaluation shall include, but not be limited to, a sectoral
1269 analysis, housing market and housing affordability analysis, labor
1270 market and labor quality analysis, demographic analysis and historic
1271 trend analysis and projections;

1272 (2) A review and analysis of factors, issues and forces that impact or
1273 impede economic development and responsible growth in Connecticut
1274 and its constituent regions. Such factors, issues or forces shall include,
1275 but not be limited to, transportation, including, but not limited to,
1276 commuter transit, rail and barge freight, technology transfer,
1277 brownfield remediation and development, health care delivery and

1278 costs, early education, primary education, secondary and
1279 postsecondary education systems and student performance, business
1280 regulation, labor force quality and sustainability, social services costs
1281 and delivery systems, affordable and workforce housing cost and
1282 availability, land use policy, emergency preparedness, taxation,
1283 availability of capital and energy costs and supply;

1284 (3) Identification and analysis of economic clusters that are growing
1285 or declining within the state;

1286 (4) An analysis of targeted industry sectors in the state that (A)
1287 identifies those industry sectors that are of current or future
1288 importance to the growth of the state's economy and to its global
1289 competitive position, (B) identifies what those industry sectors need
1290 for continued growth, and (C) identifies those industry sectors' current
1291 and potential impediments to growth;

1292 (5) A review and evaluation of the economic development structure
1293 in the state, including, but not limited to, (A) a review and analysis of
1294 the past and current economic, community and housing development
1295 structures, budgets and policies, efforts and responsibilities of its
1296 constituent parts in Connecticut; and (B) an analysis of the
1297 performance of the current economic, community and housing
1298 development structure, and its individual constituent parts, in meeting
1299 its statutory obligations, responsibilities and mandates and their
1300 impact on economic development and responsible growth in
1301 Connecticut;

1302 (6) Establishment and articulation of a vision for Connecticut that
1303 identifies where the state should be in five, ten, fifteen and twenty
1304 years;

1305 (7) Establishment of clear and measurable goals and objectives for
1306 the state and regions, to meet the short and long-term goals established
1307 under this section and provide clear steps and strategies to achieve
1308 said goals and objectives, including, but not limited to, the following:
1309 (A) The promotion of economic development and opportunity, (B) the

1310 fostering of effective transportation access and choice including the use
1311 of airports and ports for economic development, (C) enhancement and
1312 protection of the environment, (D) maximization of the effective
1313 development and use of the workforce consistent with applicable state
1314 or local workforce investment strategy, (E) promotion of the use of
1315 technology in economic development, including access to high-speed
1316 telecommunications, and (F) the balance of resources through sound
1317 management of physical development;

1318 (8) Prioritization of goals and objectives established under this
1319 section;

1320 (9) Establishment of relevant measures that clearly identify and
1321 quantify (A) whether a goal and objective is being met at the state,
1322 regional, local and private sector level, and (B) cause and effect
1323 relationships, and provide a clear and replicable measurement
1324 methodology;

1325 (10) Recommendations on how the state can best achieve goals
1326 under the strategic plan and provide cost estimates for implementation
1327 of the plan and the projected return on investment for those areas;

1328 (11) A review and evaluation of the operation and efficacy of the
1329 urban jobs program established pursuant to sections 32-9i to 32-9l,
1330 inclusive, enterprise zones established pursuant to section 32-70,
1331 railroad depot zones established pursuant to section 32-75a, qualified
1332 manufacturing plants designated pursuant to section 32-75c,
1333 entertainment districts established pursuant to section 32-76 and
1334 enterprise corridor zones established pursuant to section 32-80. The
1335 review and evaluation of enterprise zones shall include an analysis of
1336 enterprise zones that have been expanded to include an area in a
1337 contiguous municipality or in which there are base or plant closures;
1338 [and]

1339 (12) An assessment of program performance with regard to the
1340 development, research and economic assistance matching grant
1341 program established pursuant to section 32-345, as amended by this

1342 act; and

1343 [(12)] (13) Any other responsible growth information that the
1344 commissioner deems appropriate.

1345 Sec. 24. Section 32-290a of the general statutes is repealed and the
1346 following is substituted in lieu thereof (*Effective July 1, 2011*):

1347 (a) The Commissioner of Economic and Community Development,
1348 in consultation with the Commissioner of Social Services and the Labor
1349 Commissioner, may establish, within available appropriations, an
1350 entrepreneurial training program for the purpose of training and
1351 preparing former recipients of temporary family assistance, general
1352 assistance, state-administered general assistance and aid to families
1353 with dependent children, ex-offenders, dislocated workers, displaced
1354 homemakers and high school drop-outs for self-employment and
1355 entrepreneurial opportunities.

1356 (b) The Commissioner of Economic and Community Development
1357 may adopt regulations, in accordance with the provisions of chapter
1358 54, to carry out the purposes of this section.

1359 Sec. 25. Subsection (a) of section 32-9yy of the general statutes is
1360 repealed and the following is substituted in lieu thereof (*Effective from*
1361 *passage*):

1362 (a) As used in this section, "qualified business" means a Connecticut
1363 business, whether for-profit or not-for-profit, employing less than
1364 [fifty] one hundred employees.

1365 Sec. 26. Subdivision (59) of section 12-81 of the general statutes, as
1366 amended by section 2 of public act 10-98, is repealed and the following
1367 is substituted in lieu thereof (*Effective October 1, 2011, and applicable to*
1368 *assessment years commencing on or after October 1, 2012*):

1369 (59) (a) [Any] With respect to assessment years commencing on or
1370 after October 1, 2012, any manufacturing facility, as defined in section
1371 32-9p, as amended by this act, acquired, constructed, substantially

1372 renovated or expanded on or after July 1, 1978, in a distressed
1373 municipality, as defined in said section, in a targeted investment
1374 community, as defined in section 32-222, in an enterprise zone
1375 designated pursuant to section 32-70 or in an airport development
1376 zone established pursuant to section 32-75d and for which an
1377 eligibility certificate has been issued by the Department of Economic
1378 and Community Development, and any manufacturing plant
1379 designated by the Commissioner of Economic and Community
1380 Development under subsection (a) of section 32-75c as follows: To the
1381 extent of eighty per cent of its valuation for purposes of assessment in
1382 each of the five full assessment years following the assessment year in
1383 which the acquisition, construction, renovation or expansion of the
1384 manufacturing facility is completed, except that a manufacturing
1385 facility having a [standard industrial classification code of 2833 or
1386 2834] North American Industrial Classification Code of 325411 or
1387 325412 and having at least one thousand full-time employees, as
1388 defined in subsection (f) of section 32-9j, as amended by this act, shall
1389 be eligible to have the assessment period extended for five additional
1390 years upon approval of the commissioner, in accordance with all
1391 applicable regulations, provided such full-time employees have not
1392 been relocated from another facility in the state operated by the same
1393 eligible applicant;

1394 (b) Any service facility, as defined in section 32-9p, as amended by
1395 this act, acquired, constructed, substantially renovated or expanded on
1396 or after July 1, 1996, and for which an eligibility certificate has been
1397 issued by the Department of Economic and Community Development,
1398 as follows: (i) In the case of an investment of twenty million dollars or
1399 more but not more than thirty-nine million dollars in the service
1400 facility, to the extent of forty per cent of its valuation for purposes of
1401 assessment in each of the five full assessment years following the
1402 assessment year in which the acquisition, construction, renovation or
1403 expansion of the service facility is completed; (ii) in the case of an
1404 investment of more than thirty-nine million dollars but not more than
1405 fifty-nine million dollars in the service facility, to the extent of fifty per

cent of its valuation for purposes of assessment in each of the five full assessment years following the assessment year in which the acquisition, construction, renovation or expansion of the service facility is completed; (iii) in the case of an investment of more than fifty-nine million dollars but not more than seventy-nine million dollars in the service facility, to the extent of sixty per cent of its valuation for purposes of assessment in each of the five full assessment years following the assessment year in which the acquisition, construction, renovation or expansion of the service facility is completed; (iv) in the case of an investment of more than seventy-nine million dollars but not more than ninety million dollars in the service facility, to the extent of seventy per cent of its valuation for purposes of assessment in each of the five full assessment years following the assessment year in which the acquisition, construction, renovation or expansion of the service facility is completed; or (v) in the case of an investment of more than ninety million dollars in the service facility, to the extent of eighty per cent of its valuation for purposes of assessment in each of the five full assessment years following the assessment year in which the acquisition, construction, renovation or expansion of the service facility is completed, except that any financial institution, as defined in [section 12-217u] subsection (b) of section 32-236, having at least four thousand qualified employees, as determined in accordance with an agreement pursuant to [subdivision (3) of subsection (n) of section 12-217u] subsection (b) of section 32-236, shall be eligible to have the assessment period extended for five additional years upon approval of the commissioner, in accordance with all applicable regulations, provided such full-time employees have not been relocated from another facility in the state operated by the same eligible applicant. In no event shall the definition of qualified employee be more favorable to the employer than the definition provided in [section 12-217u] subsection (b) of section 32-236;

(c) The completion date of a manufacturing facility, manufacturing plant or a service facility will be determined by the Department of Economic and Community Development taking into account the

1440 issuance of occupancy certificates and such other factors as it deems
1441 relevant. In the case of a manufacturing facility, manufacturing plant
1442 or a service facility which consists of a constructed, renovated or
1443 expanded portion of an existing plant, the assessed valuation of the
1444 facility or manufacturing plant is the difference between the assessed
1445 valuation of the plant prior to its being improved and the assessed
1446 valuation of the plant upon completion of the improvements. In the
1447 case of a manufacturing facility, manufacturing plant or a service
1448 facility which consists of an acquired portion of an existing plant, the
1449 assessed valuation of the facility or manufacturing plant is the assessed
1450 valuation of the portion acquired. This exemption shall be applicable
1451 during each such assessment year regardless of any change in the
1452 ownership or occupancy of the facility or manufacturing plant. If
1453 during any such assessment year, however, any facility for which an
1454 eligibility certificate has been issued ceases to qualify as a
1455 manufacturing facility, manufacturing plant or a service facility, the
1456 entitlement to the exemption allowed by this subdivision shall
1457 terminate for the assessment year following the date on which the
1458 qualification ceases, and there shall not be a pro rata application of the
1459 exemption. Any person who desires to claim the exemption provided
1460 in this subdivision shall file annually with the assessor or board of
1461 assessors in the distressed municipality, targeted investment
1462 community, enterprise zone designated pursuant to section 32-70 or in
1463 the town within the airport development zone established pursuant to
1464 section 32-75d in which the manufacturing facility or service facility is
1465 located, on or before the first day of November, written application
1466 claiming such exemption on a form prescribed by the Secretary of the
1467 Office of Policy and Management. Failure to file such application in
1468 this manner and form within the time limit prescribed shall constitute
1469 a waiver of the right to such exemption for such assessment year,
1470 unless an extension of time is allowed pursuant to section 12-81k, and
1471 upon payment of the required fee for late filing;

1472 Sec. 27. Subsection (a) of section 12-631 of the general statutes is
1473 repealed and the following is substituted in lieu thereof (*Effective*

1474 October 1, 2011):

1475 (a) "Business firm" means any business entity authorized to do
1476 business in the state and subject to the tax due under the provisions of
1477 chapter 207, 208, 209, 210, 211, [or] 212 or 213a.

1478 Sec. 28. Section 12-632 of the general statutes is repealed and the
1479 following is substituted in lieu thereof (*Effective October 1, 2011*):

1480 (a) (1) Except as otherwise provided in subdivision (2) of this
1481 subsection, on or before July first of each year, any municipality
1482 desiring to obtain benefits under the provisions of this chapter shall,
1483 after approval by the legislative body of such municipality, submit to
1484 the Commissioner of Revenue Services a list on a form prescribed and
1485 made available by the commissioner of programs eligible for
1486 investment by business firms under the provisions of this chapter.
1487 Such activities shall consist of providing neighborhood assistance; job
1488 training or education; community services; crime prevention; energy
1489 conservation or construction or rehabilitation of dwelling units for
1490 families of low and moderate income in the state; donation of money
1491 to an open space acquisition fund of any political subdivision of the
1492 state or any nonprofit land conservation organization, which fund
1493 qualifies under subsection (h) of section 12-631 and is used for the
1494 purchase of land, interest in land or permanent conservation restriction
1495 on land [,] which is to be permanently preserved as protected open
1496 space; or any of the activities described in section 12-634, 12-635 or 12-
1497 635a. Such list shall indicate, for each program specified: The concept
1498 of the program, the neighborhood area to be served, why the program
1499 is needed, the estimated amount required to be invested in the
1500 program, the suggested plan for implementing the program, the
1501 agency designated by the municipality to oversee implementation of
1502 the program and such other information as the commissioner may
1503 prescribe. Each municipality shall hold at least one public hearing on
1504 the subject of which programs shall be included on such list prior to
1505 the submission of such list to the commissioner.

1506 (2) If any municipality desiring to obtain benefits under the
1507 provisions of this chapter submits to the Commissioner of Revenue
1508 Services a list on a form prescribed and made available by the
1509 commissioner of programs eligible for investment by business firms
1510 under the provisions of this chapter after the July first due date, the
1511 commissioner shall include the list of programs on the list compiled by
1512 the commissioner under subsection (b) of this section if the
1513 municipality submits such list no later than fifteen days following such
1514 July first due date, provides an explanation for its failure to submit
1515 such list on or before such July first due date and submits proof that
1516 both the public hearing required by subdivision (1) of this subsection
1517 to be held on the programs to be included on such list and the
1518 approval of such list by the legislative body of such municipality
1519 required by subdivision (1) of this subsection occurred on or before
1520 such July first due date.

1521 (b) The Commissioner of Revenue Services shall, on or before
1522 September first of each year, compile a list, categorized by town and by
1523 estimated amount of tax credit, of the programs submitted by
1524 municipalities for investment pursuant to the provisions of subsection
1525 (a) of this section. The commissioner shall print sufficient quantities of
1526 such list to facilitate its distribution to business firms upon their
1527 request.

1528 (c) Any business firm which desires to engage in any of the activities
1529 or programs approved by any municipality pursuant to subsection (a)
1530 of this section and listed pursuant to subsection (b) of this section may
1531 apply to the Commissioner of Revenue Services for a tax credit in an
1532 amount as provided in section 12-633, 12-634, 12-635 or 12-635a. The
1533 proposal for such credit which shall be made on a form prescribed and
1534 made available by the commissioner, shall set forth the program to be
1535 conducted, the neighborhood area to be invested in, the plans for
1536 implementing the program and such other information as said
1537 commissioner may prescribe. Such proposals shall be submitted to the
1538 commissioner on or after September fifteenth but no later than October
1539 first of each year. Such proposals shall be approved or disapproved by

1540 the Commissioner of Revenue Services based on the compliance of
1541 such proposal with the provisions of this chapter and regulations
1542 adopted pursuant to this chapter. The commissioner may only approve
1543 proposals received between September fifteenth and October first of
1544 each year. If, in the opinion of the Commissioner of Revenue Services,
1545 a business firm's investment can, for the purposes of this chapter, be
1546 made through contributions to a neighborhood organization as
1547 defined in subsection (h) of section 12-631, tax credits may be allowed
1548 in amounts as provided in section 12-633, 12-634, 12-635 or 12-635a.

1549 (d) Programs which may reasonably be expected to last for more
1550 than one year but not more than two consecutive years may be
1551 included on the lists submitted by municipalities pursuant to the
1552 provisions of subsection (a) of this section. Proposals made in response
1553 to such programs pursuant to the provisions of subsection (c) of this
1554 section may require investments to be made in more than one year.
1555 Such proposals shall be considered as a single entity by the
1556 Commissioner of Revenue Services, and, if approved, the
1557 commissioner shall reserve appropriate amounts of prospective years'
1558 tax credits for application to such program and proposed investments
1559 in the year or years in which such investments are actually made.

1560 (e) (1) Nothing in this chapter shall be construed to prevent two or
1561 more business firms from participating jointly in one or more
1562 programs under the provisions of this chapter. Such joint investment
1563 programs shall be submitted, and acted upon, as a single proposal by
1564 the business firms involved.

1565 (2) In the event that two or more neighborhood organizations which
1566 are owned by the same entity receive investments which would
1567 otherwise qualify for a credit under this chapter, only one such
1568 investment shall be eligible for such credit.

1569 (f) The sum of all tax credit granted pursuant to the provisions of
1570 section 12-633, 12-634, 12-635 or 12-635a shall not exceed [seventy-five]
1571 one hundred fifty thousand dollars annually per business firm and no

1572 tax credit shall be granted to any business firm for any individual
1573 amount invested of less than two hundred fifty dollars.

1574 (g) No tax credit shall be granted to any bank, bank and trust
1575 company, insurance company, trust company, national bank, savings
1576 association, or building and loan association for activities that are a
1577 part of its normal course of business.

1578 (h) Any tax credit not used in the period during which the
1579 investment was made may be carried backward for the two
1580 immediately preceding calendar or fiscal years until the full credit has
1581 been allowed.

1582 (i) In no event shall the total amount of all tax credits allowed to all
1583 business firms pursuant to the provisions of this chapter exceed five
1584 million dollars in any one fiscal year. Three million dollars of the total
1585 amount of tax credits allowed shall be granted to business firms
1586 eligible for tax credits pursuant to section 12-635.

1587 [(j) Except with respect to the acquisition of open space land, no tax
1588 credit shall be granted to any business firm unless such firm furnishes
1589 proof to the Commissioner of Revenue Services that the amount of
1590 funds expended for charitable purposes and for the support of
1591 programs which would be eligible for assistance pursuant to this
1592 chapter by such business firm is not less in the year for which such
1593 credit is sought than the amount expended in the year immediately
1594 preceding the year for which such credit is sought.]

1595 [(k)] (j) No organization conducting a program or programs eligible
1596 for funding with respect to which tax credits may be allowed under
1597 this chapter shall be allowed to receive an aggregate amount of such
1598 funding for any such program or programs in excess of one hundred
1599 fifty thousand dollars for any fiscal year.

1600 Sec. 29. Subsection (b) of section 32-41s of the general statutes is
1601 repealed and the following is substituted in lieu thereof (*Effective July*
1602 *1, 2011*):

1603 (b) On and after July 1, 2010, eligible businesses and eligible
1604 commercial property located in (1) the city of Hartford; (2) census
1605 block groups 090034601001, 090034601009, 090034602014 and
1606 090034602022 in the town of Farmington; (3) census blocks
1607 090034602021011, 090034602021012, 090034602021013,
1608 090034602021014, 090034602021015, 090034602021017,
1609 090034602021018, 090034602021019, 090034602021020,
1610 090034602021021, 090034602021022, 090034602021023, 090034602021024
1611 and 090034602021025 in the town of Farmington; (4) census block
1612 groups 090034165005 and 090034165006 in the city of New Britain; (5)
1613 census blocks 90034164001000, 90034164001001, 90034164001002,
1614 90034164004004, 90034164004005, 90034164004006 and 90034164001009
1615 in the city of New Britain; (6) census tracts 09003417500, 09003416000,
1616 09003416100, 09003416700, 09003416800, 09003417400, 09003417200,
1617 09003417300 and 09003415700 in the city of New Britain; (7) census
1618 tracts 09003405100, 09003405200 and 09003405300 in the city of Bristol;
1619 (8) fifty-three acres of property zoned Technology Park within census
1620 tract 420700, block 9000 in the town of Plainville; (9) forty acres of raw
1621 land zoned Restricted Industrial within census tract 420400, block
1622 group 1000 in the town of Plainville; (10) thirty-five acres of raw land
1623 zoned Restricted Industrial within census tract 420500, block 3000 in
1624 the town of Plainville; or [(8)] (11) any municipality which has (A) a
1625 major research university with programs in bioscience, biotechnology,
1626 pharmaceuticals or photonics, and (B) an enterprise zone, shall be
1627 entitled to the same benefits, subject to the same conditions, under the
1628 general statutes for which businesses located in an enterprise zone
1629 qualify.

1630 Sec. 30. (NEW) (*Effective July 1, 2011*) (a) The Commissioner of
1631 Economic and Community Development, in consultation with the
1632 Commissioners of Revenue Services and Higher Education, may
1633 establish the Learn Here, Live Here program. Such program may
1634 provide an incentive for graduates of a public institution of higher
1635 education in this state, who qualified as in-state students and paid the
1636 in-state tuition rate, or graduates from a regional vocational-technical

1637 school, to buy a first home in the state. Persons who graduate on or
1638 after January 1, 2014, from such institutions or schools may have their
1639 income tax liability, up to a maximum of two thousand five hundred
1640 dollars annually, segregated into the Connecticut first-time
1641 homebuyers account established pursuant to section 31 of this act,
1642 provided not more than one million dollars from all program
1643 participants may be so segregated in any calendar year. After a period
1644 not exceeding ten years after graduation, any amounts so segregated
1645 may be withdrawn by a participant for the purchase of a first home in
1646 the state. The Commissioner of Economic and Community
1647 Development may make payments in accordance with this section
1648 from said fund to the participant.

1649 (b) (1) After a period not exceeding ten years after the date of
1650 graduation, a participant in the program established pursuant to
1651 subsection (a) of this section may apply to the Commissioner of
1652 Economic and Community Development for a payment to be issued,
1653 on behalf of such participant, and used as the down payment on a
1654 house, which must be the first house such participant has bought,
1655 either singly or jointly. Such payment may be in an amount equal to
1656 the amount of segregated funds deposited on behalf of such
1657 participant. If the payment is less than such amount, any excess
1658 amount shall be deposited in the General Fund.

1659 (2) If a participant ceases to live in the state at any time up to one
1660 year after such date, such participant shall repay one hundred per cent
1661 of the amount paid out. If a participant ceases to live in the state at any
1662 time up to two years after such date, such participant shall repay
1663 eighty per cent of the amount paid out. If a participant ceases to live in
1664 the state at any time up to three years after such date, such participant
1665 shall repay sixty per cent of the amount paid out. If a participant ceases
1666 to live in the state at any time up to four years after such date, such
1667 participant shall repay forty per cent of the amount paid out. If a
1668 participant ceases to live in the state at any time up to five years after
1669 such date, such participant shall repay twenty per cent of the amount
1670 paid out. After five years, there is no repayment obligation. Any

1671 amounts repaid under this subdivision shall be deposited in the
1672 General Fund.

1673 (c) On or before December 1, 2012, the Commissioner of Economic
1674 and Community Development may develop, within available
1675 appropriations, a comprehensive public education program to educate
1676 recent graduates of a public institution of higher education in the state,
1677 who qualified as in-state students and paid the in-state tuition rate, or
1678 of a regional vocational-technical high school about the program
1679 established under this section for first-time home buyers. The public
1680 education program shall include, but not be limited to, information
1681 concerning life-time savings plans and information on the purchase of
1682 a home. If the commissioner develops such public education program,
1683 the department shall begin to implement such program not later than
1684 January 1, 2014.

1685 Sec. 31. (NEW) (*Effective July 1, 2011*) There is established a
1686 Connecticut first-time homebuyers account which, shall be a separate,
1687 nonlapsing account within the General Fund. Funds segregated by the
1688 Commissioner of Revenue Services, pursuant to section 32 of this act,
1689 shall be deposited in the account. An amount equal to the amount
1690 deposited in the account shall be available to the Commissioner of
1691 Economic and Community Development for payments to participants
1692 in the program established pursuant to section 30 of this act. The State
1693 Treasurer shall invest the proceeds of the account, and investment
1694 earnings, after paying any costs incurred by the State Treasurer in
1695 administering the account, shall be credited to the General Fund. On or
1696 before September 1, 2014, and annually thereafter, the State Treasurer
1697 shall notify the Commissioner of Economic and Community
1698 Development of the total amount deposited in the account. Any funds
1699 segregated on behalf of a participant that are not used for the purchase
1700 of a first home shall be transferred to the General Fund.

1701 Sec. 32. (NEW) (*Effective July 1, 2011*) As part of the Learn Here, Live
1702 Here program established pursuant to section 30 of this act, for taxable
1703 years commencing on or after January 1, 2014, the Commissioner of

1704 Revenue Services shall segregate the income taxes paid by a
 1705 participant in said program during a period not exceeding ten taxable
 1706 years following the year of graduation. Upon the request of such
 1707 participant, the commissioner shall segregate an annual amount of
 1708 such tax liability, up to a maximum of two thousand five hundred
 1709 dollars per year. The total amount segregated for all program
 1710 participants shall not exceed one million dollars in any calendar year.
 1711 The commissioner shall deposit such segregated amounts into the
 1712 Connecticut first-time homebuyers account established pursuant to
 1713 section 31 of this act.

1714 Sec. 33. Section 32-730 of the general statutes is repealed. (*Effective*
 1715 *from passage*)

| | | |
|---|---|--------------|
| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>from passage</i> | 10a-19i |
| Sec. 2 | <i>from passage</i> | 38a-88a(g) |
| Sec. 3 | <i>from passage</i> | New section |
| Sec. 4 | <i>July 1, 2011, and applicable to income years commencing on or after January 1, 2011</i> | New section |
| Sec. 5 | <i>July 1, 2011, and applicable to income years commencing on or after January 1, 2012</i> | 12-217(a)(1) |
| Sec. 6 | <i>July 1, 2011</i> | 36a-250(a) |
| Sec. 7 | <i>July 1, 2011</i> | 36a-251a |
| Sec. 8 | <i>from passage</i> | 8-244(a) |
| Sec. 9 | <i>from passage</i> | New section |
| Sec. 10 | <i>from passage</i> | 32-9cc(a) |
| Sec. 11 | <i>July 1, 2011</i> | 32-717 |
| Sec. 12 | <i>July 1, 2011</i> | 32-11a(c) |
| Sec. 13 | <i>from passage and applicable to assessment years commencing on or after October 1, 2011</i> | 12-81(59) |

| | | |
|---------|---|------------------|
| Sec. 14 | <i>October 1, 2011, and applicable to assessment years commencing on or after October 1, 2011</i> | 12-81u |
| Sec. 15 | <i>July 1, 2011</i> | 32-9j |
| Sec. 16 | <i>July 1, 2011</i> | 32-9p |
| Sec. 17 | <i>October 1, 2011</i> | 32-9p |
| Sec. 18 | <i>July 1, 2011</i> | 32-9r(f) |
| Sec. 19 | <i>July 1, 2011</i> | 32-9t(g)(1) |
| Sec. 20 | <i>July 1, 2011</i> | 16a-40b(d) |
| Sec. 21 | <i>July 1, 2011</i> | 8-37qq(e)(2)(B) |
| Sec. 22 | <i>July 1, 2011</i> | 32-345 |
| Sec. 23 | <i>July 1, 2011</i> | 32-1o(c) |
| Sec. 24 | <i>July 1, 2011</i> | 32-290a |
| Sec. 25 | <i>from passage</i> | 32-9yy(a) |
| Sec. 26 | <i>October 1, 2011, and applicable to assessment years commencing on or after October 1, 2012</i> | 12-81(59) |
| Sec. 27 | <i>October 1, 2011</i> | 12-631(a) |
| Sec. 28 | <i>October 1, 2011</i> | 12-632 |
| Sec. 29 | <i>July 1, 2011</i> | 32-41s(b) |
| Sec. 30 | <i>July 1, 2011</i> | New section |
| Sec. 31 | <i>July 1, 2011</i> | New section |
| Sec. 32 | <i>July 1, 2011</i> | New section |
| Sec. 33 | <i>from passage</i> | Repealer section |

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

| Agency Affected | Fund-Effect | FY 12 \$ | FY 13 \$ |
|------------------------|---------------------|-----------------|-----------------|
| Various State Agencies | Various - See Below | See Below | See Below |

Municipal Impact:

| Municipalities | Effect | FY 12 \$ | FY 13 \$ |
|------------------------|---------------|-----------------|-----------------|
| Various Municipalities | See Below | See Below | See Below |

Explanation

Explanation

The bill results in a fiscal impact as described in detail below:

Section 1 results in no fiscal impact associated with programmatic changes to the 2010 Student Loan Reimbursement Program.

Section 2 results in a revenue loss to the extent that allowing the transfer of insurance reinvestment fund tax credits enables transferees to claim a credit which the transferor would not otherwise have been able to claim.

Section 3, which requires the Commissioners of Administrative Services and Transportation to conduct a joint study on the feasibility of converting or replacing up to 25% of the state's motor vehicles with vehicles powered by electricity or alternative fuels, results in no additional cost to the agencies.

Sections 4 – 6, which establish a trust account that allows up to 50 manufacturers to defer and reduce corporation business and income

taxes due on funds utilized for certain enumerated purposes, results in an estimated revenue loss of up to \$187,500 in FY 12 and up to \$287,500 annually thereafter from the Corporation Business Tax, and an indeterminate revenue impact in FY 12 and FY 13 under the Personal Income Tax.

The Corporation Business Tax revenue loss is based on 50 manufacturers establishing accounts in FY 12 and making annual withdrawals beginning in FY 13. The initial revenue loss is due to the deduction of up to \$50,000 from corporation income for tax purposes. The annualized revenue estimate accounts for losses due to 1) initial deductions from corporate income for tax purposes, and 2) the 3.5% reduced rate of taxation on withdrawals. All figures assume that only manufacturers filing corporation business taxes under the Net Income Base method would be eligible for the program.

Specific provisions for deductions, disbursements, and the return of account balances after five years for manufacturers filing taxes under the Personal Income Tax are unclear, and as such any associated revenue impact is uncertain.

The amendment also results in a significant cost to the Department of Revenue Services (DRS) in FY 12 associated with modifications to corporate and income tax forms and to the Taxpayer Service Center.

Section 7 makes a conforming change that results in no fiscal impact.

Section 8 designates the Commissioner of the Department of Economic and Community Development (DECD) as the chairperson of the Board of Directors of the Connecticut Housing Finance Authority. There is no associated fiscal impact.

Section 9 results in a minimal cost to various state agencies, estimated to be less than \$5,000, associated with mileage reimbursement of 51 cents per mile for legislators and agency staff (who seek such reimbursement) participating on the task force.

Section 10 allows the Office of Brownfield Remediation and Development in DECD to enter into agreements with certain agencies and make grants to these organizations. To the extent that DECD reallocates funding from other agency programs for this purpose there may be a fiscal impact.

Section 11 requires DECD to establish an Innovation Network program. PA 11-6 (the biennial budget) appropriates \$500,000 in FY 12 and FY 13 for the purpose of establishing this program.

Section 12 results in no fiscal impact by modifying the reporting procedures of the Connecticut Development Authority (CDA). The bill allows CDA to annually report on its financial assistance programs as currently required by C. G. S. 32-11a without publically disclosing information exempted under the Freedom of Information Act. Section 12 also designates the Commissioner of DECD as the chairperson of the Board of Directors of the Connecticut Development Authority. This provision also has no fiscal impact.

Sections 13, 14, and 19 result in no fiscal impact to the DECD by updating industry reference codes and industries listed in statute to the most current industry reference codes listed by the federal government.

Sections 15, 16, and 18 extend certain economic development incentives to 1) economic-based businesses, 2) businesses in a DECD-designated industry cluster, and 3) any establishment or auxiliary or operating unit. To the extent that any businesses under these criteria qualify for one or more of the economic development incentives, this results in:

1) a potential revenue loss to the General Fund from the manufacturing facilities business tax credit of up to \$1.0 million.¹

¹ This estimate is based on the number of claimed made in 2010 as reported in the Department of Revenue Services 2009-2010 Annual Report. In 2010, 35 credits were claimed at a cost of \$1.0 million.

2) an increased grant payment for the distressed municipalities for the tax abatement on those facilities located therein.

Since the appropriation contained in PA 11-6 (the biennial budget), is not sufficient to fully fund the Distressed Municipalities grant reimbursement, all payments are subject to a pro rata reduction. Thus, there is no state fiscal impact but all other municipalities receiving funds under this grant will experience a revenue decrease. In FY 10, distressed municipalities received \$7.3 million in grant payments.

3) a potential cost in regard to the job creation grants, however, funding for this program has halted.

In general, these incentives are available to certain businesses in distressed municipalities, target investment and enterprise zones, and areas of high unemployment but only for manufacturers and other specified service and retail businesses.

Section 17 removes the distressed municipalities designation (which would have gone into effect 10/1/11) from those sections of Granby, Suffield, Windsor Locks and Windsor that are in the Bradley Airport Development Zone. This ensures the towns' continuing eligibility to participate in the Small Town Economic Assistance Program, but precludes their qualifying for funds under certain open space, planning, and development grants.

Sections 20 - 21 result in no fiscal impact by allowing the payment of principal due under the Energy Conservation Loan Program to be deposited directly into the Energy Conservation Loan Fund (ECLF). Currently, payments are first made into the Housing Repayment and Revolving Loan Fund and transferred to the ECLF at the end of the fiscal year. This provision would streamline the payment process.

Sections 22 - 23 result in no fiscal impact by eliminating duplicative reporting requirements by DECD.

Section 24 permits DECD to expand the entrepreneurial training

program to include dislocated workers and displaced homemakers. Current statute requires DECD to operate the program within available appropriations. However, no appropriation was made to the program line item in the FY 11 budget or in PA 11-6.

Based on the FY 09 participation rate reported by DECD, the average cost is \$330 for each additional individual participating in the program. The total cost to this provision is dependent upon the number of dislocated workers and displaced homemakers at any point in time. It is anticipated in the current economic climate that there could be an increase in participants in the program.

Section 25 expands the number of businesses that would qualify for the DECD's Connecticut Credit Consortium program loans. This would increase the number of businesses qualified for the program by an estimated three percent.² It is anticipated that DECD could administer the modified program without requiring additional resources.

PA 10-75 established this revolving loan program for businesses with less than 50 employees. This provision expands the threshold to 100 employees.

Section 26 makes a change of reference to section 2 of PA 10-98 to ensure conformity and has no fiscal impact.

Sections 27 - 28 increase the annual amount a business may receive under the Neighborhood Assistance Act tax credit program, and extends the tax credits to certain entities that are currently excluded. This results in an estimated General Fund revenue loss of \$1.2 million-\$2.5 million in FY 12 and \$1.7 million-\$3.3 million in FY 13.

Increasing, from \$75,000 to \$150,000, the amount of credits a company may claim annually results in an estimated revenue loss of up to \$1.2 million in FY 12 and up to \$1.7 million in FY 13 and annually

thereafter. This estimate assumes business contributions increase commensurate with the amounts currently donated under the program.

The bill also extends the tax credits to S corporation, limited liability companies, limited liability partnerships and other entities subject to the business entity tax. This is estimate to result in a revenue loss of up to \$1.3 million in FY 12 and up to \$1.6 million in FY 13 and annually thereafter. There are approximately 142,000 entities that file the \$250 business entity tax annually.

It should be noted that the Neighborhood Assistance Act has a \$5.0 million annual cap, which if exceeded, results in proration of approved donations.

Section 29 expands the Bioscience Enterprise Corridor Zone to additional specified census tracts in Plainville. This gives businesses within these areas the same benefits that businesses in enterprise zones receive. This could result in a revenue loss to the state and municipalities. The degree of the impact is dependent upon the business activity that could occur as a result of the benefits. Currently financial incentives include a corporate business tax credit, property tax abatement, and real estate conveyance tax exemptions.

Sections 30 – 32 allow the establishment of a Learn Here, Live Here program, which has the following potential fiscal impacts.

These sections results in a cost to the DECD and to the DRS associated with establishing and administering a Learn Here, Live Here program.

These sections also results in a potential cost to DECD associated with staff and marketing materials to implement the public education portion of the first-time homebuyer savings program for recent graduates of public institutions of higher education and regional

² This estimate is based upon the U.S. Census Bureau's 2008 Statistics of U.S.

vocational-technical schools. The potential cost to DECD is dependent upon the number of people eligible for the program and the program design. DECD could need a full-time Community Development Specialist at an annual cost of approximately \$86,497 (\$69,891 salary, \$16,606 fringe benefits). Additional costs associated with marketing materials could range from \$50,000-\$100,000.

Sections 30 – 32 require the program be established in DECD within available appropriations. To the extent that the agency reallocates funds to establish the program there could be a fiscal impact to other programs under the agency.

It is also estimated to result in a one-time set up and programming cost of \$100,000 in FY 14 to DRS to administer the tax provisions of the amendment.

According to the Department of Labor and the Department of Higher Education, approximately seventy percent of the roughly 20,000 annual Connecticut public college graduates remain in the state after graduation; it is not known how many of the roughly 2,200 annual regional vocational-technical school graduates remain in the state after graduation.

As an example, assuming average annual wages of \$40,000 upon graduation resulting in an average single filer Income Tax liability of \$1,620, this program could be utilized by an estimated 617 graduates annually.

Section 33, which repeals the Connecticut Competitiveness Council, has no fiscal impact.

House “A” strikes the underlying bill and its associated fiscal impact. The fiscal impact of the bill is listed above.

The Out Years

Businesses.

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation with the exception of the one time cost to DRS to modify the corporate tax forms and Tax Service Center.

Sources: *Department of Revenue Services 2009-2010 Annual Report*
 Department of Revenue Services NAICS 31-33 Manufacturing Statistics

OLR Bill Analysis**sHB 6525 (as amended by House "A")******AN ACT CONCERNING THE CONTINUANCE OF THE MAJORITY LEADERS' JOB GROWTH ROUNDTABLE.*****SUMMARY:**

This bill establishes and modifies several economic development programs, makes structural and procedural changes to two quasi-public state development agencies, and requires two studies. It:

1. extends student loan reimbursements to residents receiving more types of science- and technology-related degrees and eliminates reimbursements for those receiving training certificates in specified fields (§ 1);
2. allows business taxpayers to transfer insurance reinvestment tax credits to their affiliates (§ 2);
3. requires the transportation and administrative services commissioners to study and report on the costs and benefits of converting a portion of the state's auto fleet to alternative energy sources (§3);
4. establishes a program under which small manufacturers can defer taxes on the money they save for training workers and acquiring facilities and equipment (§§ 4-7);
5. makes the Department of Economic and Community Development (DECD) commissioner the chairperson of the Connecticut Housing Finance Authority's (CHFA) board (§ 8);
6. establishes a task force to promote innovative business leaders

(§ 9);

7. allows the Office of Brownfield Remediation and Development (OBRD) to enter into cooperative funding agreements with other entities (§ 10);
8. revamps the Innovation Network for Economic Development (§ 11);
9. makes the DECD commissioner chairperson of the Connecticut Development Authority's (CDA) board of directors and changes a CDA reporting requirement (§ 12);
10. makes many technical and programmatic changes to DECD's statutes and programs (§§ 13-26);
11. makes changes to the Neighborhood Assistance Act (NAA), including extending NAA tax credit eligibility to companies subject to the state's business entity tax and doubling the total amount of credits that a company may claim annually under the NAA (§§ 27-28);
12. extends enterprise zones benefits to specified sections of Plainville (§ 29);
13. allows the DECD commissioner to create the Learn Here, Live Here program to provide incentives for graduates to buy a first home in Connecticut (§§ 30-32);
14. eliminates the 21-member Connecticut Competitiveness Council, which PA 10-75 established to promote the state's industry clusters.

*House Amendment "A" makes many unrelated changes. It adds the provisions:

1. concerning the auto fleet conversion study,

2. making the DECD commissioner chair of the CDA and CHFA boards,
3. establishing the task force on developing innovative business leaders,
4. expanding OBRD's powers,
5. revamping the Innovation Network for Economic Development,
6. making technical and programmatic changes to DECD's programs and statutes,
7. expanding the NAA,
8. extending enterprise zone benefits to sections of Plainville, and
9. establishing the Learn Here, Live Here Program.

The amendment makes changes to those provisions of the underlying bill concerning the Insurance Reinvestment Act and the Manufacturing Reinvestment Account Program.

It also eliminated provisions in the underlying bill:

1. making changes to Connecticut Innovations, Inc.'s Pre-seed Financing and Angel Investor programs,
2. converting a portion of the state's motor vehicle fleet to alternative energy sources by January 1, 2015,
3. restoring several energy-related sales tax exemptions,
4. allowing hybrid and electric vehicles in high occupancy vehicle lanes,
5. establishing a solar energy financing program,
6. creating a temporary funding stream to capitalize tourism marketing grants, and

7. extending historic preservation tax credits to more types of historic property.

EFFECTIVE DATE: Various, see below

§ 1 — STUDENT LOAN REIMBURSEMENTS

PA 10-75 authorized reimbursements for student loans and training grants for Connecticut residents with educational backgrounds and jobs related to green technology, life science, or health information technology.

The bill expands eligibility to include residents receiving degrees in biomedical engineering and the manufacture of medical devices, by adding the study of such topics to the program's definition of life science. The law already includes in that definition the study of genes, cells, tissues, and the chemical and physical structures of living organisms.

But the bill eliminates reimbursement eligibility for those receiving a training certificate in one of the fields specified above. Under the bill, the program remains open to students receiving a bachelor's or associate's degree.

By law, to be eligible for the program, a resident must graduate from a Connecticut institution of higher education on or after May 1, 2010 with a degree related to one of the fields mentioned above. Current law also conditions eligibility on the resident working for at least two years in the state after graduation in a job related to one of these fields. The bill requires that the student be employed by a business in one of these fields, rather than specifically in a job related to these fields.

The bill also changes the financial eligibility criteria. It provides that a resident qualifies for reimbursement if his or her federal adjusted gross income is no more than \$ 150,000 for the year before the initial reimbursement year. Under current law, to qualify for reimbursement, the individual's expected family contribution, as determined by the

federal Free Application for Federal Student Aid, must be no more than \$ 35,000 for the most recent full academic year. (Income is one of the factors that affect family contribution.)

By law, the reimbursements apply to federal and state student loans. (No state loans are currently available.) A resident with a bachelor's degree qualifies for reimbursements of up to \$ 2,500 per year or 5% of the loan amounts, whichever is less, for up to four years. A resident with an associate's degree qualifies for the same amount, but only for up to two years. The law caps the total value of reimbursements a resident can receive under this and any other state program at \$ 10,000 for those holding a bachelor's degree and \$ 5,000 for those holding an associate's degree.

EFFECTIVE DATE: Upon passage

§ 2 — INSURANCE REINVESTMENT FUND PROGRAM

This program authorizes insurance premium, corporation business, and personal income tax credits for taxpayers investing in insurance businesses through a state-certified insurance reinvestment fund. Under current law, taxpayers can apply credits against their tax liability or sell them (i.e., assign them) to another taxpayer. The bill specifies that taxpayers may transfer the credit to an affiliated business or entity.

EFFECTIVE DATE: Upon passage

§ 3 — AUTO FLEET CONVERSION STUDY

The bill requires the transportation and administrative services commissioners to jointly study the costs of converting up to 25% of the state's auto fleet to alternative energy sources. They must do this by July 1, 2011 within available appropriations and submit their findings and recommendations to the governor and the Commerce, Transportation, Environment, and Energy and Technology committees by February 1, 2012. .

The study must:

1. include the Department of Transportation's vehicles;
2. identify the costs and environmental benefits of converting the fleet to electric power, alternative fuels, or natural gas; and
3. establish time frames for completing the conversion.

EFFECTIVE DATE: Upon passage

§§ 4-7 — MANUFACTURING REINVESTMENT ACCOUNT

Eligible Businesses

The bill requires the DECD commissioner to establish a program under which small manufacturers with 50 or fewer employees can defer corporation business taxes on the money they save for training, developing, and expanding their workforce or purchasing machinery, equipment, or facilities.

Eligible Manufacturers

The commissioner must establish criteria and guidelines for selecting up to 50 manufacturers, which include any business that changes the form, composition, quality, or character of tangible personal property for retail sale or making a product for such sale.

Manufacturing Reinvestment Account

A manufacturer may establish a manufacturing reinvestment account only in a Connecticut bank, which can act as the account's trustee or custodian. Neither the bank nor the manufacturer can invest the money in the account in life insurance contracts or commingle it with other property. The bank must close the account five years after the manufacturer established it and return the balance to the manufacturer.

The manufacturer may deposit up to \$ 50,000 annually, or 100% of their domestic gross receipts, whichever is less, on a corporation tax-deferred basis for up to five years, if they use the funds for these purposes.

The manufacturer may deduct the deposits from its corporation business taxes until it withdraws the money. It must pay taxes on each withdrawal, but at a reduced rate of 3.5%, regardless of its corporate or business structure. Any balance remaining after five years is taxed at the full rate (currently 7.5%, plus 10% surcharge). Under the bill, the bank must return the balance to the manufacturer, which then has up to 60 days to pay the taxes on this amount.

Eligible Expenditures

A manufacturer may withdraw funds from the account to train its workers or purchase machinery, equipment, or manufacturing facilities. Machinery includes the basic machine and its component parts plus equipment and devices used or needed to control, regulate, or operate it. Equipment includes separate devices needed to manufacture, process, or fabricate things.

Annual Report

The bill requires the banking commissioner to annually report on banks acting as trustees or custodians for manufacturers establishing reinvestment accounts. He must include this information in the annual report he submits to the Banks Committee under current law. That report currently summarizes the actions he took to:

1. let Connecticut-chartered banks engage in certain activities closely related to banking and those permitted for federally chartered banks and
2. approve uninsured banks that do not take retail deposits.

The bill eliminates the requirement that the report include information on the commissioner's action with respect to Connecticut-chartered banks engaging in closely related activities.

EFFECTIVE DATE: July 1, 2011 and applicable to income years on or after January 1, 2011.

§ 8 — DECD COMMISSIONER AS CHAIRPERSON OF CHFA'S BOARD

The bill makes the DECD commissioner the chairperson of CHFA's board of directors. Under current law, the chairperson is appointed by the governor, with the general assembly's advice and consent.

By law, the commissioner is already a member of CHFA's board.

EFFECTIVE DATE: Upon passage

§ 9 — TASK FORCE ON BUSINESS AND INDUSTRY BARRIERS***Purpose***

The bill establishes a 19-member task force to identify the barriers facing Connecticut's businesses and industries. The bill implicitly defines those barriers as those confronting innovative business leaders. It requires the task force to examine:

1. establishing links between Connecticut and international businesses and colleges and universities;
2. cultivating the state's next generation of business innovation leaders;
3. establishing international competitions that provide incentives for attracting such leaders to Connecticut and encouraging those who are here to remain and contribute to innovation and technological growth;
4. developing a global business plan for staging international competitions offering prizes, stipends, and first-year investment capital to businesses and industry workers relocating to Connecticut and establishing their businesses here;
5. energy-related job growth, economic and workforce development, research and development, and information sharing between manufacturers and colleges and universities;
6. the number of manufacturers that used remedial measures for

addressing Department of Environmental Protection (DEP)-imposed noncriminal penalties and whether such penalties could be waived based on the remediation;

7. other states' programs for waiving environmental penalties imposed on businesses;
8. offering fellowships to top entrepreneurs who spend one year in Connecticut developing their business; and
9. using social media and other technology to encourage socially useful community-based projects to compete for stipends and corporate support and funding.

Appointments

The governor and legislative leaders appoint 11 members. The governor appoints three members, the House speaker and Senate president pro tempore each appoint two, and House and Senate majority and minority leaders each appoint one. The appointing authorities may appoint legislators. They must make their appointments within 30 days of the bill's effective date and fill any subsequent vacancies. The bill names the chairpersons and ranking members of the Commerce and Higher Education committees to the task force, bringing the total membership to 19.

Operations

The task force has two chairpersons, one each selected by the House speaker and the Senate president pro tempore. The chairpersons must call the first meeting within 60 days after the bill's effective date. The administrative staff of the Commerce and Higher Education and Employment Advancement committees must provide the administrative support.

Report

The task force must report its findings and recommendations to the governor and the Commerce and Higher Education and Employment Advancement committees by February 1, 2012. It terminates on this

date or when it submits the report, whichever is later.

EFFECTIVE DATE: Upon passage

§ 10 — OFFICE OF BROWNFIELD REMEDIATION AND DEVELOPMENT (OBRD)

The bill expands OBRD's powers by allowing it to enter into cooperative agreements with qualified implementing agencies, which the bill does not define. It also allows OBRD to award:

1. grants, where appropriate, to these agencies for designing, implementing, and supervising brownfield assessment and remediation and
2. sub grants to the agencies as long as they comply with the original grant's terms and conditions.

EFFECTIVE DATE: Upon passage

§ 11 — INNOVATION NETWORK

Revamp Mission

The bill revamps the Innovation Network for Economic Development's structure and mission. Under current law, the economic development agencies and the University of Connecticut must develop the network's plan and budget in consultation with the Governor's Competitiveness Council, the education and higher education commissioners, the community-technical colleges' chancellor, the Office of Workforce Competitiveness' director, and leading technology-focused organizations. The bill makes the economic development commissioner solely responsible for the network and changes its focus.

Currently the agencies responsible for developing the network must:

1. create endowed chairs and hire leading academic professionals in targeted fields,

2. aggressively solicit federal research funds,
3. increase corporate-sponsored research,
4. establish at least one innovation center linked to the universities,
5. strengthen existing university-based technology transfer and entrepreneurship programs,
6. encourage collaboration between universities and industry- or federally sponsored technology centers, and
7. create links to Connecticut-based incubators and groups that generally invest in support start-up companies in their early stages.

The recommendation regarding the innovation center must involve advanced technology corporations and start-up enterprises and the Hartford-based Connecticut Center for Advanced Technology (CCAT).

The bill eliminates the requirement that the network include endowed chairs and instead allows it to:

1. convene leaders of technology-focused economic development organizations,
2. create a networking system for entrepreneurs and others,
3. develop benchmarks based on the best programs that promote innovation in economic development,
4. develop a statewide innovation database,
5. assess current programs and recommend changes benefiting the state's innovation competitiveness,
6. investigate issued patents, and

7. pursue other initiatives the commissioner deems appropriate to maintain the state's innovative competitiveness.

The bill allows the network to review and comment on the other areas that comprise its current charge, but drops the provision regarding leveraging CCAT's efforts.

Tapping Existing Resources

In running the innovation network, the bill allows the commissioner to tap other organizations' resources, including the Labor Department, the Connecticut State University System, other higher education institutions, and federally funded research centers.

The bill specifies that the commissioner must use up to \$500,000 appropriated by PA 11-16 for the Innovation Challenge Grant Program.

EFFECTIVE DATE: July 1, 2011

§ 12 — RECIPIENTS OF CONNECTICUT DEVELOPMENT AUTHORITY FINANCIAL ASSISTANCE

By law, the Connecticut Development Authority (CDA) must file an annual report on its financial assistance programs that has certain information about the companies receiving financial assistance, including each company's gross revenue for its most recent fiscal year. This bill requires CDA to report gross revenue only for companies that make the information public in the normal course of business. It requires CDA to report the gross revenues of other companies separately while concealing their names and identities. This must be consistent with the law that already exempts certain information that applicants submit to CDA from the Freedom of Information Act.

The bill allows the governor and chairpersons and ranking members of the Appropriations, Commerce, and Finance, Revenue and Bonding committees, after a request to CDA, to examine the detailed report data in confidence, including the specific revenue data for each company not listed by name in the report. It allows the committee

chairpersons and ranking members to disclose the data to other committee members and requires that they also keep the data confidential.

EFFECTIVE DATE: July 1, 2011

§ 12 — CONNECTICUT DEVELOPMENT AUTHORITY BOARD CHAIRPERSON

The bill names the DECD commissioner chairperson of CDA's board of directors. Under current law, the commissioner is an ex officio board member, and the governor appoints the board chairperson.

EFFECTIVE DATE: July 1, 2011

§§ 13-26 — DECD STATUTORY REVISIONS

§§ 13-17 & 19, & 26 — *North American Industrial Classification*

The bill replaces references to an obsolete business classification code DECD uses to determine if a business qualifies for tax and financial incentives under different programs. Current law cites the Standard Industrial Classification System (SIC), which was based on the goods a business makes, the service it provides, or the methods and techniques it employs.

The federal government replaced SIC with a different classification scheme needed to implement trade agreements creating a common North American market. That scheme—the North American Industrial Classification (NAIC) System—groups businesses that use the same or similar processes to make goods or deliver services. Consequently, NAIC reflects the greater role services play in the economy.

The bill substitutes NAIC for SIC with respect to:

1. enterprise zone and targeted investment property tax exemptions and job creation grants (§§ 13, 15, 16, & 17),
2. financial services property tax exemptions (§ 16),
3. local option tax abatement for communication companies (§ 14),

and

4. urban and industrial sites remediation tax credits (§ 19).

§§ 15-18 — Extension of Economic Development Incentives

The bill extends several economic development incentives to more types of businesses. Current law targets certain property tax exemptions, corporation business tax credits, and job creation grants to enterprise zones and targeted investment communities and further limits these geographically targeted incentives to manufacturers and specified service and retail businesses operating in these designated areas.

The bill extends the incentives to the same range of businesses that qualify for financing under DECD's Manufacturing Assistance Act (MAA) program. These include two overlapping groups of businesses:

1. those that create or retain jobs, export most of their products and services out of the state, encourage innovation, or add value to products and services (i. e. , economic-base businesses) and
2. those within a DECD-designated industry cluster.

It also extends the incentives to establishments, auxiliaries, or operating units of both groups, as defined in the NAIC system.

The bill eliminates waste collection businesses from eligibility for the incentives.

§ 18 — Service Businesses' Eligibility for Enterprise Zone and Targeted Investment Community Incentives

Current law requires the DECD commissioner to adopt regulations for certifying whether a business qualifies for enterprise zone or targeted investment community incentives. Under current law, service businesses qualify if they are classified as such in the SIC manual.

Under the bill, the regulations must extend the incentives to any

service business, not just those classified as such in the manual, if the business supports the economic competitiveness of manufacturers or other economic-base businesses or furthers the state's interests. Such businesses include those providing day care, job training, education, transportation, employee housing, energy conservation, pollution control, and recycling.

§ 17 — Bradley Airport Development Zone Benefits

The bill removes the “distressed municipalities” designation from those sections of Granby, Suffield, Windsor, and Windsor Locks and that are in the Bradley Airport Development Zone. PA 10-98 designated these sections the Bradley Airport Development Zone (BADZ) while simultaneously designating them as distressed. The BADZ designation qualifies businesses for property tax exemptions and corporation business tax credits while the distressed municipality designation affects the towns' eligibility for funds under various programs.

The distressed municipality designation qualifies municipalities for open space, planning, and development grants. But it disqualifies them for grants under the Small Town Economic Assistance Program. Removing the distressed municipality designation restores the towns' eligibility for funds under that program.

DECD annually designates distressed municipalities based on demographic and economic criteria. It scores and ranks each municipality and designates the top 25 as distressed, a group that currently does not include the BADZ towns.

§§ 20 & 21 — Energy Conservation Loan Repayments

The bill requires all principal payments for all loans made from the Energy Conservation Loan Fund to go directly back into the fund and makes a conforming technical change. Currently, the payments are first deposited in the Housing Repayment and Revolving Loan Fund.

§ 24 — Entrepreneurial Training for Specified Groups

The bill qualifies dislocated workers and displaced homemakers for DECD-funded entrepreneurial training. Current law allows the commissioner to fund such training programs for former recipients of temporary family assistance, general assistance, and aid to families with dependent children. The training programs can also assist ex-offenders and high school dropouts.

§ 25 — Small Business and Nonprofit Loans

The bill allows more businesses and nonprofit organizations to qualify for DECD's Connecticut Credit Consortium program loans. PA 10-75 established this revolving loan program for those businesses and nonprofit organizations with fewer than 50 employees. The bill raises this maximum employee threshold to 100 employees.

EFFECTIVE DATE: July 1, 2011, except for the changes to the (1) property tax exemptions, which take effect October 1, 2011 and applicable to assessment years beginning on or after that date; (2) the criteria for accessing the exemptions, which take effect October 1, 2011; and Connecticut Credit Consortium, which takes effect upon passage.

§§ 27-28 — NEIGHBORHOOD ASSISTANCE ACT

The bill makes changes to the Neighborhood Assistance Act (NAA), which provides business tax credits to companies that invest in certain municipally approved community activities and programs.

The bill extends NAA tax credit eligibility to companies subject to the state's \$250 business entity tax. These companies include S corporations, limited liability companies, limited liability partnerships, and limited partnerships.

The bill increases, from \$ 75,000 to \$ 150,000, the total amount of credits that a company may claim per year under the NAA. By law, a company generally receives a credit of 60% of its investment up to the annual maximum.

The bill also eliminates the requirement that to be eligible for NAA

tax credits, a company's total charitable contributions for the year for which it is seeking the credit, including contributions made to programs eligible under the NAA, must at least equal its total contributions in the previous year.

EFFECTIVE DATE: October 1, 2011

§ 29 — ENTERPRISE ZONE

The bill extends the benefits of an enterprise zone to certain businesses and commercial properties in sections of Plainville within specified census tracts and blocks. Specifically, it extends the benefits to (1) 53 acres of property zoned Technology Park and (2) 75 acres of raw land zoned Restricted Industrial (40 acres within one specified census tract and block, and 35 acres in another specified tract and block). The bill does not specify which decennial census was used for determining the census tracts and blocks.

By law, enterprise zone benefits include property tax exemptions, business tax credits, and sales tax exemptions.

By law, an "eligible business" is one that has had fewer than 300 employees at all times during the previous 12 months and is engaged in bioscience, biotechnology, pharmaceutical, or photonics research, development, or production in the state. An "eligible commercial property" is one that an eligible business has owned or leased and used at all times during the preceding 12 months, or real property that the DECD commissioner or Connecticut Innovations, Incorporated has certified as newly constructed or substantially renovated and expanded primarily for occupancy by one or more eligible businesses.

EFFECTIVE DATE: July 1, 2011

§§ 30-32 — LEARN HERE, LIVE HERE PROGRAM

The bill allows the DECD commissioner, in consultation with the commissioners of the departments of Revenue Services (DRS) and Higher Education (DHE), to create an incentive program for certain graduates to stay in Connecticut after graduation and buy a first home

here. The program is called the Learn Here, Live Here program.

Program Eligibility and Mechanics

The program is open to graduates of (1) public colleges or universities in Connecticut who qualified as in-state students and paid the in-state tuition rate and (2) regional vocational-technical schools. In either case, they must have graduated on or after January 1, 2014.

Under the program, the DRS commissioner segregates eligible graduates' income tax payments, upon their request, into a Connecticut first-time homebuyers account that the bill establishes (see below), for up to ten years after graduation. The bill specifies that this can occur in taxable years on or after January 1, 2014. The annual maximum of segregated tax payments for a graduate is \$2,500, and the annual total for all program participants is \$1 million.

Participants can withdraw the segregated amounts to buy a first home in the state within 10 years after they graduated, with the DECD commissioner issuing payments to participants accordingly.

Within 10 years after graduating, a participant may also apply to the DECD commissioner for a payment on the participant's behalf for a down payment on a house. The bill specifies that the house must be the first one the participant buys, either alone or with someone else. The payment may equal the participant's segregated funds in the account. If the payment is less than that amount, the excess is deposited in the General Fund.

Repayment Schedule

The bill requires participants who move out of Connecticut within five years of graduating to repay a percentage of the amount they receive under the program for a home purchase or house down payment. If a participant no longer lives in Connecticut within the first year after graduating, he or she must repay 100% of the received amount. The required repayment percentage decreases by 20% each year after that, until reaching zero after five years (someone who

moves out in year two must repay 80%, in year three 60%, etc). Repayments must be deposited in the General Fund.

Education Program

The bill allows the DECD commissioner, by December 1, 2012, to develop a comprehensive public education program to inform recent graduates who would be eligible about the program. The bill specifies that this education program may only be developed within available appropriations. If conducted, the education program must include information on lifetime savings plans and home buying. If the commissioner develops this program, DECD must begin to implement it by January 1, 2014.

First-time Homebuyers Account

The bill creates a Connecticut first-time homebuyers account as a separate, nonlapsing General Fund account. The account is for funds the DRS commissioner segregates as specified above. The DECD commissioner can use an amount equal to the deposited amount for paying program participants as specified.

The bill requires the state treasurer to invest the account proceeds. Investment earnings (minus costs for account administration) must be credited to the General Fund. On or before September 1, 2014 and annually after that, the treasurer must notify the DECD commissioner of the account balance. The bill provides that any segregated funds that are not used to buy a first home must be transferred to the General Fund.

EFFECTIVE DATE: July 1, 2011

BACKGROUND

Related Bill

HB 6651, which the House and Senate passed, repeals the Innovation Network for Economic Development, which the bill amends, and the Connecticut Competitiveness Council.

SB 843 (File 561), which the Senate passed on June 2, 2011, makes identical changes to CDA's reporting requirement.

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute

Yea 19 Nay 0 (03/22/2011)

Appropriations Committee

Joint Favorable

Yea 46 Nay 7 (05/23/2011)